

COPY

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY FOR)
APPROVAL OF A NEW SCHEDULE OF)
RATES AND CHARGES FOR ELECTRIC)
UTILITY SERVICE, FOR APPROVAL OF)
REVISED DEPRECIATION RATES, FOR)
APPROVAL OF TRACKING MECHANISMS)
PURSUANT TO IND. CODE § 8-1-2-42(a),)
FOR APPROVAL OF REVISED RULES AND)
REGULATIONS APPLICABLE TO)
ELECTRIC UTILITY SERVICE, AND FOR)
DECLINATION OF JURISDICTION AND)
APPROVAL OF AN ALTERNATIVE)
REGULATORY PLAN PURSUANT TO IND.)
CODE § 8-1-2.5-1 *ET SEQ.*)

CAUSE NO. 43526

FILED

JAN 26 2009

INDIANA UTILITY
REGULATORY COMMISSION

**PETITIONER'S SECOND SUBMISSION OF
SUPPLEMENTAL DIRECT TESTIMONY AND REVISED EXHIBITS
AND NOTICE OF SUBMISSION OF REVISED WORKPAPERS**

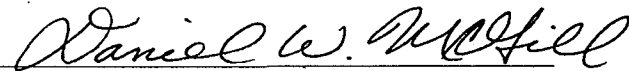
Petitioner Northern Indiana Public Service Company ("NIPSCO") previously advised the Commission and the parties that in reviewing the cost of service and rate design, NIPSCO became aware that there was a mismatch between the unbilled revenue adjustment and the sales volumes that were utilized in its cost of service study. This realization caused a need to revise the cost of service study. In addition, NIPSCO made one other revision to remove \$484,837 of fuel associated with lighting customers. This adjustment was made to recognize that under NIPSCO's present rates, lighting was not subject to the fuel adjustment charge ("FAC"). Under NIPSCO's proposed rates, the three lighting classes will be subject to the FAC.

NIPSCO hereby submits (1) a clean copy of the Verified Second Supplemental Direct Testimony of NIPSCO Witness Robert D. Greneman (Petitioner's Exhibit RDG-S2), Petitioner's Exhibit RDG-2, Schedule 2.0 (2nd Revised), Petitioner's Exhibit RDG-3 (2nd Revised),

Petitioner's Exhibit RDG-4, Schedule 2.0 (2nd Revised); and (2) a clean and black-lined copy of the revised pages of NIPSCO's proposed tariff identified in the Verified Direct Testimony of NIPSCO Witness Curt A. Westerhausen as Petitioner's Exhibit CAW-2. Petitioner's Exhibit CAW-2 also includes a revision to correct a mistake in the introductory paragraph of Appendix C, Reliability Adjustment Factor, Original No. 112.

Pursuant to Paragraph 4 of the Prehearing Conference Order, NIPSCO hereby provides notice that it has submitted to the Commission on this 26th day of January, 2009, the revised work papers of Witness Greneman reflecting changes resulting from the revisions noted above.

Respectfully Submitted,



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Service Company

Certificate of Service

I hereby certify that a copy of the foregoing was served this 26th day of January, 2009 by transmitting same via email transmission and by hand-delivery or overnight delivery (as shown below) on the following counsel:

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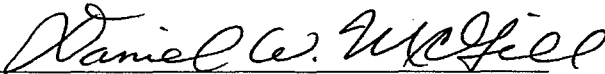
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NORTHERN INDIANA PUBLIC SERVICE COMPANY

IURC CAUSE NO. 43526

VERIFIED SECOND SUPPLEMENTAL DIRECT TESTIMONY

OF

ROBERT D. GRENEMAN

ASSOCIATE DIRECTOR

**SPONSORING PETITIONER'S EXHIBITS RDG-2, SCHEDULE 2.0 (2nd
Revised), RDG-3 (2nd REVISED) AND RDG-4, Schedule 2.0 (2nd REVISED)**

**VERIFIED SECOND SUPPLEMENTAL DIRECT TESTIMONY
OF ROBERT D. GRENEMAN**

1 **Q1. Please state your name, occupation and business address.**

2 A1. Robert D. Greneman, Associate Director, Stone & Webster Management Consultants,
3 Inc., 1 Main Street, Cambridge, MA

4 **Q2. Did you previously submit Prepared Direct Testimony as a part of the Case-In-**
5 **Chief of Petitioner Northern Indiana Public Service Company ("NIPSCO") filed**
6 **with the Commission in this Cause on August 29, 2008?**

7 A2. Yes. My Prepared Direct Testimony has been marked as Petitioner's Exhibit RDG-1.

8 **Q3. Did you previously submit Prepared Supplemental Direct Testimony filed with the**
9 **Commission in this Cause on December 19, 2008?**

10 A3. Yes. My Supplemental Direct Testimony has been marked as Petitioner's Exhibit RDG-
11 S1.

12 **Q4. What is the purpose of your Second Supplemental Direct Testimony?**

13 A4. The purpose of my Second Supplemental Direct Testimony is to describe the changes to my
14 Prepared Direct Testimony, exhibits and accompanying workpapers, as previously revised
15 and supplemented, in this proceeding.

16 **Q5. What has caused the need to revise your exhibits and workpapers?**

1 A5. In reviewing the cost of service and rate design, we became aware that there was a mis-
2 match between the unbilled revenue adjustment and the sales volumes that I utilized in my
3 cost of service study. This realization caused a need to revise the cost of service study.

4 **Q6. Were there any other revisions to the cost of service study?**

5 A6. Yes, I made one minor revision to remove \$484,837 of fuel associated with lighting
6 customers. This adjustment was made to recognize that under the NIPSCO's present rates,
7 lighting was not subject to the FAC. Under the proposed rates the three lighting classes will
8 be subject to an FAC adjustment.

9 **Q7. Please describe the revisions to your exhibits and workpapers, as previously revised**
10 **and supplemented, that you are sponsoring.**

11 A7. With regard to my exhibits:

12 ○ Exhibit RDG-2, Schedule 2.0 (Revised, which shows rates of return earned under
13 the proposed service classifications, is being replaced with Schedule 2.0 (2nd
14 Revised).

15 ○ Exhibit RDG-3 (Revised), which summarizes the cost of service study results
16 under NIPSCO's present and proposed rates, as well as revenue requirement at
17 parity and under the moderated rates of return by customer class, is being replaced
18 with Exhibit RDG-3 (2nd Revised).

- 1 o Schedule 2.0 of Exhibit RDG-4 (Revised), which shows the proof of revenues
2 under NIPSCO's proposed rates, is being replaced with Schedule 2.0 (2nd
3 Revised). Schedule 1.0 of this exhibit does not change.

4 **Q8. Do you also intend to file revised workpapers?**

5 A8. Yes, for ease of review, I am filing a revised version of my cost of service study, which
6 reflects the two changes discussed previously.

7 **Q9. Are there any salient changes to your Direct Prepared Testimony, as previously**
8 **revised and supplemented, as a result of these revisions?**

9 A9. No. The only changes to my Direct Prepared Testimony are those that pertain to
10 references to my exhibits and workpapers, as originally filed.

11 **Q10. Does this complete your second supplement direct testimony?**

12 A10. Yes, it does.

VERIFICATION

I, Robert D. Greneman, Associate Director for Stone & Webster Management Consultants, Inc., affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information and belief.



Robert D. Greneman

Date: January 23, 2009

**NORTHERN INDIANA PUBLIC SERVICE COMPANY
EARNED RATES OF RETURN UNDER PROPOSED
SERVICE CLASSIFICATIONS - PRO FORMA TEST-YEAR
ENDED DECEMBER 31, 2007**

	<u>Earned Rate of Return</u>
Rate 511 - Residential	3.38%
Rate 521 - General Service Small	16.29%
Rate 523 - General Service Medium	9.85%
Rate 526 - Off-Peak Service	2.37%
Rate 527 - Limited Production Large	13.25%
Rate 533 - General Service Large	8.59%
Rate 534 - Industrial Service Large	7.61%
Rate 536 - Interruptible Industrial Service	1.96%
Rate 541 - Water Pumping	-1.69%
Rate 544 - Railroad Power Service	11.88%
Rate 550 - Street and Area Lighting	14.89%
Rate 555 - Traffic and Directive Lighting	15.69%
Rate 560 - Dusk-to-Dawn Lighting	-3.74%
Interdepartmental	-2.80%
Total Company	<u>6.49%</u>

PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
ALLOCATION (PRESENT RATES, PRESENT SERVICE
CLASSIFICATIONS)

RATE OF RETURN SUMMARY

Line No	Alloc. Factor	Acct	Total Company	Residential Rate 811	G.Cents-Res. Rate 812	G.Cents-MFD Rate 813	G.Cents-Comm Rate 820	GS Rate 821	Comm SH Rate 822	GS Rate 823	GS Large Rate 824
			(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<u>RATE OF RETURN SUMMARY</u>											
1		OPERATING REVENUES	887,833,314	285,182,399	3,006,562	872,926	90,793	129,943,761	657,346	101,692,695	112,801,178
2											
3		OPERATING EXPENSES									
4		OPERATION & MAINTENANCE	352,892,487	130,824,270	1,208,788	415,592	271,999	38,435,221	386,308	34,934,195	35,393,209
5		DEPRECIATION	228,307,234	85,606,692	762,653	256,027	139,002	25,257,524	243,218	24,478,741	23,053,853
6		TAXES OTHER THAN INCOME	55,347,555	21,284,876	198,880	67,532	35,813	6,848,218	67,810	6,066,309	5,796,816
7											
8		TOTAL OPERATING EXPENSES	636,547,276	237,715,838	2,170,321	739,151	448,815	70,540,963	697,337	65,479,246	64,243,878
9											
10		INCOME TAXES	78,229,648	10,442,022	258,586	27,601	-160,644	21,430,769	-44,525	12,100,861	17,275,428
11											
12		NET OPERATING INCOME	173,056,390	37,024,538	577,656	108,175	-195,377	37,972,029	4,534	24,112,588	31,281,872
13											
14		RATE BASE	2,665,421,828	992,532,018	9,067,214	3,003,659	1,851,580	298,486,691	3,202,227	290,828,434	271,381,974
15											
16		RATE OF RETURN - %	6.49%	3.73%	6.37%	3.53%	-10.55%	12.72%	0.14%	8.29%	11.53%

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
 ALLOCATION (PRESENT RATES, PRESENT SERVICE
 CLASSIFICATIONS)

Line No	Alloc. Factor	Acct	Comm GS Sm. Rate 817 (J)	Metel Melting Rate 825 (K)	Off-Peak Serv. Rate 826 (L)	Ind. Pwr Serv. Rate 832 (M)	Ind. Pwr Serv. Rate 833 (N)	Int. Ind. Pwr S. Rate 836 (O)	Muni. Power Rate 841 (P)	WW Pumping Rate 842 (Q)	Rate 844 Railroad (R)
RATE OF RETURN SUMMARY											
1		OPERATING REVENUES	38,529	7,008,921	29,653,805	3,852,845	25,269,907	8,130,453	1,759,563	33,454	1,353,784
2											
3		OPERATING EXPENSES									
4		OPERATION & MAINTENANCE	116,647	3,415,382	11,029,698	1,202,411	11,241,310	7,962,799	1,066,976	1,634	328,711
5		DEPRECIATION	96,794	2,057,164	7,079,901	748,887	6,588,581	3,885,501	765,272	954	276,499
6		TAXES OTHER THAN INCOME	18,125	479,447	1,703,943	181,173	1,459,581	820,224	203,916	687	91,355
7											
8		TOTAL OPERATING EXPENSES	231,566	5,951,994	19,813,541	2,132,471	19,289,472	12,668,523	2,036,165	3,275	696,565
9											
10		INCOME TAXES	-88,226	216,182	3,250,598	620,249	1,742,376	-2,263,228	-198,376	12,131	228,740
11											
12		NET OPERATING INCOME	-104,811	840,744	6,589,666	1,099,925	4,238,059	-2,274,842	-78,225	18,048	428,479
13											
14		RATE BASE	1,128,972	23,964,385	83,269,784	8,680,300	76,942,104	47,943,650	9,754,671	11,167	4,254,117
15											
16		RATE OF RETURN - %	-9.28%	3.51%	7.91%	12.67%	5.51%	-4.74%	-0.80%	161.61%	10.07%

CLASSIFICATIONS)

Page 3 of 3

RATE OF RETURN - %

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
ALLOCATION (PRESENT RATES, PROPOSED SERVICE
 CLASSIFICATIONS)

Line No	Alloc. Factor	Acct	Total Company	Rate 511 Residential	Rate 521 GS Small	Rate 523 GS Medium	Rate 526 Off-Peak	Rate 527 Ltd. Prod. Lrg	Rate 533 GS large	Rate 534 Industrial Lrg
			(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
<u>RATE OF RETURN SUMMARY</u>										
1		OPERATING REVENUES	887,833,314	288,905,512	45,005,246	147,790,317	7,377,416	10,899,474	185,102,734	157,705,707
2										
3		OPERATING EXPENSES								
4		OPERATION & MAINTENANCE	352,892,487	134,775,416	12,365,879	47,310,082	3,900,831	3,519,123	65,847,110	61,165,843
5		DEPRECIATION	228,307,234	88,773,089	7,548,311	32,792,560	2,281,442	1,977,088	43,135,712	38,362,190
6		TAXES OTHER THAN INCOME	55,347,555	22,004,001	2,272,610	8,480,548	537,389	466,837	10,627,729	7,674,415
7										
8		TOTAL OPERATING EXPENSES	636,547,276	245,552,505	22,186,800	88,583,189	6,719,663	5,963,048	119,610,550	107,202,447
9										
10		INCOME TAXES	78,229,648	8,425,366	8,467,028	20,515,758	32,846	1,790,435	22,066,118	16,510,012
11										
12		NET OPERATING INCOME	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
13										
14		RATE BASE	2,665,421,828	1,032,111,430	88,089,483	392,883,185	26,402,222	23,741,157	505,469,551	446,844,161
15										
16		RATE OF RETURN - %	6.49%	3.38%	16.29%	9.85%	2.37%	13.25%	8.59%	7.61%

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
ALLOCATION (PRESENT RATES, PROPOSED SERVICE
 CLASSIFICATIONS)

Line No	Alloc. Factor	Acct	Rate 536 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
			(I)	(J)	(K)	(L)	(M)	(N)	(O)
<u>RATE OF RETURN SUMMARY</u>									
1		OPERATING REVENUES	30,153,534	1,829,295	1,351,458	7,507,008	806,721	1,946,176	1,452,716
2									
3		OPERATING EXPENSES							
4		OPERATION & MAINTENANCE	17,546,186	1,202,847	305,416	2,331,768	230,023	1,304,293	1,087,672
5		DEPRECIATION	8,675,971	875,064	252,137	1,801,309	165,241	891,126	775,995
6		TAXES OTHER THAN INCOME	2,010,315	234,993	84,095	568,678	48,493	166,915	170,538
7									
8		TOTAL OPERATING EXPENSES	28,232,472	2,312,904	641,648	4,701,755	443,758	2,362,333	2,034,205
9									
10		INCOME TAXES	-166,024	-294,901	253,730	1,029,854	134,101	-216,049	-318,627
11									
12		NET OPERATING INCOME	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
13									
14		RATE BASE	108,755,525	11,181,215	3,837,877	11,926,225	1,458,970	5,347,072	9,373,754
15									
16		RATE OF RETURN - %	1.96%	-1.69%	11.88%	14.89%	15.69%	-3.74%	-2.80%

NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
(ELECTRIC OPERATIONS)

PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
UNIT COSTS AT PARITY RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)

Line No	Total Company (A)	Rate 511 Residential (B)	Rate 521 GS Small (C)	Rate 523 GS Medium (D)	Rate 526 Off-Peak (E)	Rate 527 Ltd. Prod. Lrg (F)	Rate 533 GS Large (G)	Rate 534 Industrial Lrg (H)
REVENUE REQUIREMENT AT TARGET ROR								
1								
2								
3	6.49%	3.38%	16.29%	9.85%	2.37%	13.25%	8.59%	7.61%
4								
5	2,665,421,829	1,032,111,430	88,089,483	392,883,185	28,402,222	23,741,157	505,489,551	446,844,161
6								
7	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%
8								
9	223,095,807	86,387,727	7,373,090	32,884,323	2,209,866	1,987,135	42,307,801	37,400,856
10	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
11								
12	50,039,418	51,460,086	-6,978,328	-5,807,047	1,584,958	-1,158,855	-1,118,264	3,407,609
13								
14	34,207,310	35,178,489	-4,770,436	-3,969,740	1,083,489	-792,202	-764,453	2,329,466
15								
16	84,246,727	86,638,574	-11,748,764	-9,776,786	2,668,448	-1,951,058	-1,882,718	5,737,075
17								
18	1,497,954	1,540,482	-208,900	-173,837	47,446	-34,691	-33,476	102,008
19								
20	636,547,276	245,552,505	22,186,800	88,583,189	6,719,663	5,963,048	119,610,550	107,202,447
21	78,229,647	8,425,366	8,467,028	20,515,758	32,846	1,790,435	22,066,118	16,510,012
22	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
23								
24	973,577,995	377,084,568	33,047,583	137,839,694	10,093,310	8,913,725	183,186,541	163,544,791
25	20,405,463	8,552,852	836,754	2,322,025	183,105	124,775	3,163,543	3,645,455
26	953,172,532	368,531,716	32,210,829	135,517,669	9,910,205	8,788,950	180,022,998	159,899,336
27								
28	867,427,851	280,352,660	44,168,492	145,468,292	7,194,311	10,774,699	181,939,192	154,060,252
29								
30	85,744,681	88,179,057	-11,957,663	-9,950,623	2,715,894	-1,985,748	-1,916,193	5,839,084
31	9.88%	31.45%	-27.07%	-8.84%	37.75%	-18.43%	-1.05%	3.79%
32	335,532,765	129,991,581	11,069,682	49,430,341	3,326,201	2,985,368	63,609,466	56,240,335

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
UNIT COSTS AT PARITY RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)

Line No	Rate 536 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
	(I)	(J)	(K)	(L)	(M)	(N)	(O)
1	REVENUE REQUIREMENT AT TARGET ROR						
2	EARNED RATE OF RETURN						
3	1.96%	-1.69%	11.88%	14.89%	15.69%	-3.74%	-2.80%
4	RATE BASE						
5	106,755,525	11,181,215	3,837,877	11,926,225	1,458,970	5,347,072	9,373,754
6	TARGET RATE OF RETURN						
7	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%
8	REQUIRED RETURN ON RATE BASE						
9	8,935,437	935,868	321,230	998,225	122,116	447,550	784,583
10	EARNED RETURN ON RATE BASE						
11	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
12	REQUIRED INCREASE IN RETURN						
13	6,848,351	1,124,576	-134,851	-777,174	-106,747	647,658	1,047,444
14	ASSOC. INCR IN INCOME TAXES						
15	4,681,583	768,768	-92,185	-531,282	-72,973	442,744	716,041
16	TOTAL INCREASE IN RETURN & INC TAXES						
17	11,529,934	1,893,344	-227,035	-1,308,455	-179,719	1,090,402	1,763,485
18	INCREASE IN REVENUE-RELATED						
19	205,009	33,665	-4,037	-23,265	-3,196	19,388	31,356
20	OPERATING EXPENSES PER COSS						
21	28,232,472	2,312,904	641,648	4,701,755	443,758	2,362,333	2,034,205
22	INCOME TAXES PER COSS						
23	-168,024	-294,901	253,730	1,029,854	134,101	-216,049	-318,627
24	RETURN PER COSS						
25	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
26	TOTAL REVENUE REQUIREMENT						
27	41,888,476	3,756,304	1,120,386	6,175,287	623,806	3,055,967	3,247,557
28	LESS OTHER REVENUES						
29	1,330,883	42,003	14,101	39,095	8,253	100,295	42,325
30	REVENUE REQUIREMENT FROM RATES						
31	40,557,594	3,714,301	1,106,285	6,136,192	615,553	2,955,672	3,205,233
32	PRESENT RATE REVENUES						
33	28,822,651	1,787,292	1,337,357	7,467,913	798,468	1,845,881	1,410,392
34	REVENUE INCREASE TO BASE RATES						
35	11,734,943	1,927,009	-231,072	-1,331,720	-182,915	1,109,790	1,794,841
36	PERCENT REVENUE INCREASE						
37	40.71%	107.82%	-17.28%	-17.83%	-22.91%	60.12%	127.26%
38	TOTAL RETURN AND INCOME TAXES						
39	13,450,996	1,409,735	482,775	1,496,797	183,244	674,245	1,181,997

NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
(ELECTRIC OPERATIONS)
PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
UNIT COSTS AT PARITY RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)

Line No	Total Company (A)	Rate 511 Residential (B)	Rate 521 GS Small (C)	Rate 523 GS Medium (D)	Rate 526 Off-Peak (E)	Rate 527 Ltd. Prod. Lrg (F)	Rate 533 GS Large (G)	Rate 534 Industrial Lrg (H)
TOTAL COST OF SERVICE (Revenue-related distributed)								
1 PRODUCTION								
2 FIXED	493,068,126	177,827,645	12,520,677	67,908,859	4,557,752	3,259,545	96,601,023	106,558,328
3 VARIABLE	74,983,595	16,663,458	1,928,896	9,592,308	991,146	1,251,841	15,642,306	19,479,501
4 TRANSMISSION SUBSTAS.	85,305,686	23,232,990	2,107,817	11,550,648	994,119	595,388	17,137,735	21,228,540
5 TRANSMISSION LINES	33,766,376	9,211,794	835,400	4,575,011	393,572	235,198	6,785,486	8,395,283
6								
7								
8 DISTRIB. SUBSTAS - GENERAL	36,709,687	16,670,378	1,258,573	6,580,850	634,703	985,260	8,855,367	745,089
9 DISTRIB. SUBSTAS - RAILROAD	665,448	0	0	0	0	0	0	0
10								
11 DISTRIB LINES PRIMARY - DEMAND	90,105,629	40,908,586	3,090,010	16,155,618	1,557,926	2,420,258	21,740,114	1,829,586
12 DISTRIB. LINES SECONDARY - DEMAND	38,931,308	21,205,934	3,372,056	9,641,765	25,227	0	3,886,792	0
13 LINE TRANSFORMERS - DEMAND	22,720,059	13,020,456	980,784	4,988,341	22,174	0	2,984,102	0
14								
15 SERVICES	9,918,758	8,457,171	809,290	546,393	179	0	63,474	0
16 METERS	19,716,642	12,396,072	2,166,674	2,663,765	54,701	6,815	1,883,245	259,889
17 STREET LIGHTING	4,783,532	0	0	0	0	0	0	0
18 DUSK-TO-DAWN LIGHTING	2,336,886	0	0	0	0	0	0	0
19 METER READING	10,176,994	5,663,116	582,835	494,247	39,139	3,559	3,316,860	45,857
20 BILLING & COLLECTING	24,509,751	19,625,721	2,025,707	575,697	598,551	31,077	682,633	801,067
21 CUSTOMER ACCOUNTS OTHER	217,206	186,628	19,197	5,417	5	0	436	6
22 CUSTOMER INFORMATION	1,540,103	258,441	184,287	145,878	40,923	0	435,947	456,087
23 SALES EXPENSE	3,716,747	3,193,326	328,626	92,871	88	8	7,478	103
24 DIRECT TO RETAIL	0	0	0	0	0	0	0	0
25 REVENUE - OTHER (UNCOLL. ACCTS)	0	0	0	0	0	0	0	0
26								
27 REVENUE TAXES	0	0	0	0	0	0	0	0
28								
29 TOTAL COST OF SERVICE FROM RATES	953,172,532	368,531,716	32,210,829	135,517,669	9,910,205	8,788,950	180,022,998	159,899,336

NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
(ELECTRIC OPERATIONS)
PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
REVENUE REQUIREMENT, UNBUNDLED COSTS.
UNIT COSTS AT PARITY RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)

Line No	Rate 536 Interrupt. Ind.	Rate 541 Water Pumping	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
	(I)	(J)	(K)	(L)	(M)	(N)	(O)
TOTAL COST OF SERVICE (Revenue-related distributed)							
1 PRODUCTION							
2 FIXED	20,770,193	505,528	237,879	310,218	197,871	88,226	1,624,382
3 VARIABLE	8,658,421	120,945	81,010	232,873	43,170	66,169	231,550
4							
5 TRANSMISSION SUBSTAS.	7,889,104	109,470	84,479	98,595	37,359	26,774	212,669
6 TRANSMISSION LINES	3,109,021	43,412	33,442	39,100	14,802	10,625	84,229
7							
8 DISTRIB. SUBSTAS - GENERAL	0	517,107	0	172,504	16,091	46,186	227,580
9 DISTRIB. SUBSTAS - RAILROAD	0	0	665,448	0	0	0	0
10							
11 DISTRIB LINES PRIMARY - DEMAND	0	1,268,673	0	423,572	39,512	113,295	558,478
12 DISTRIB. LINES SECONDARY - DEMAND	0	519,368	0	142,630	13,304	38,163	86,068
13 LINE TRANSFORMERS - DEMAND	0	363,138	0	134,731	12,563	36,090	177,680
14							
15 SERVICES	0	32,251	0	0	0	0	0
16 METERS	112,756	170,944	0	0	0	0	1,781
17 STREET LIGHTING	0	0	0	4,545,650	237,883	0	0
18 DUSK-TO-DAWN LIGHTING	0	0	0	0	0	2,336,886	0
19 METER READING	17,809	9,183	3,574	0	0	0	815
20 BILLING & COLLECTING	246	31,828	446	21,359	1,763	113,657	0
21 CUSTOMER ACCOUNTS OTHER	2	303	0	813	67	4,330	0
22 CUSTOMER INFORMATION	1	16,973	0	245	20	1,302	0
23 SALES EXPENSE	40	5,179	8	13,903	1,148	73,968	0
24 DIRECT TO RETAIL	0	0	0	0	0	0	0
25 REVENUE - OTHER (UNCOLL. ACCTS)	0	0	0	0	0	0	0
26							
27 REVENUE TAXES	0	0	0	0	0	0	0
28							
29 TOTAL COST OF SERVICE FROM RATES	40,557,594	3,714,301	1,106,285	6,136,192	615,553	2,955,672	3,205,233

**REVENUE REQUIREMENT, UNBUNDLED COSTS,
UNIT COSTS AT PARITY RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)**

Petitioner's Exhibit No. RDG-3 (2nd Revised)
Northern Indiana Public Service Company
Cause No. 43528
October 2, 2013

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
UNIT COSTS AT PARITY RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)

Line No	Rate 536 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
	(I)	(J)	(K)	(L)	(M)	(N)	(O)
<u>BILLING DETERMINANTS</u>							
1 KWH SALES	2,084,025,091	25,736,597	18,905,250	48,891,853	9,129,140	14,252,921	48,840,763
2							
3 AVERAGE MONTH BILLING KW							
4 TRANSMISSION	249,900	0	6,598	0	4,538	0	0
5 PRIMARY	0	0	6,598	0	4,538	0	0
6 SECONDARY	0	0	0	0	4,538	0	0
7							
8 AVG. NO. OF CUSTOMERS	5	644	1	1,725	143	9,429	0
9							
10 <u>UNIT COSTS</u>							
11	\$/KWH/MO.	\$/KWH/MO.	\$/KWH/MO.	\$/KWH/MO.	\$/KWH/MO.	\$/KWH/MO.	
12 PRODUCTION FIXED	\$ 6.93	\$ 0.01964	\$ 3.00	\$ 0.00634	\$ 0.02167	\$ 0.00619	
13							
14 PRODUCTION VARIABLE	\$ 0.00415	\$ 0.00470	\$ 0.00429	\$ 0.00476	\$ 0.00473	\$ 0.00464	
15							
16 TRANSMISSION	\$ 3.67	\$ 0.00594	\$ 1.49	\$ 0.00282	\$ 0.00571	\$ 0.00262	
17							
18 DISTRIBUTION							
19 PRIMARY	\$ -	\$ 0.06939	\$ 8.41	\$ 0.01219	\$ 0.00609	\$ 0.01119	
20 SECONDARY	\$ -	\$ 0.03429	\$ -	\$ 0.00567	\$ 0.00283	\$ 0.00521	
21							
22 DISTRIBUTION TOTAL	\$ -	\$ 0.10368	\$ 8.41	\$ 0.01786	\$ 0.00892	\$ 0.01640	
23							
24 TOTAL \$/KWH	\$ 0.00415	\$ 0.13396	\$ 0.00429	\$ 0.03179	\$ 0.04104	\$ 0.02986	
25 TOTAL \$/KW (@ LOWEST SERVICE LEVEL)	\$ 10.59	\$ -	\$ 12.90	\$ -	\$ -	\$ -	
26							
27 CUSTOMER (\$/CUSTOMER/MONTH)							
28 SERVICES	\$ -	\$ 4.17	\$ -	\$ -	\$ -	\$ -	
29 METERS	1,879.27	22.12	-	-	-	-	
30 STREET LIGHTING	-	-	-	219.60	138.63	-	
31 METER READING	296.82	1.19	297.79	-	-	-	
32 BILLING & COLLECTING	4.11	4.12	37.13	1.03	1.03	1.00	
33 CUSTOMER ACCOUNTS OTHER	0.04	0.04	0.04	0.04	0.04	0.04	
34 CUSTOMER INFORMATION	0.01	2.20	0.01	0.01	0.01	0.01	
35 SALES EXPENSE	0.67	0.67	0.67	0.67	0.67	0.65	
36							
37 CUSTOMER TOTAL	\$ 2,180.91	\$ 34.51	\$ 335.65	\$ 221.35	\$ 140.37	\$ 1.71	

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
 UNIT COSTS AT MODERATED RATE OF RETURN
 (PROPOSED SERVICE CLASSIFICATIONS)

Line No		Total Company	Rate 511 Residential	Rate 521 GS Small	Rate 523 GS Medium	Rate 526 Off-Peak	Rate 527 Ltd. Prod. Lrg	Rate 533 GS large	Rate 534 Industrial Lrg
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	EARNED RATE OF RETURN	6.49%	3.38%	16.29%	9.85%	2.37%	13.25%	8.59%	7.61%
2									
3	RATE BASE	2,665,421,829	1,032,111,430	88,089,483	392,883,185	26,402,222	23,741,157	505,469,551	446,844,161
4									
5	TARGET RATE OF RETURN	8.37%	6.04%	15.72%	10.89%	5.28%	13.44%	9.94%	9.21%
6									
7	REQUIRED RETURN ON RATE BASE	223,095,807	62,324,955	13,847,150	42,771,466	1,392,895	3,190,556	50,263,591	41,136,786
8	EARNED RETURN ON RATE BASE	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
9									
10	REQUIRED INCREASE IN RETURN	50,039,417	27,397,314	-504,268	4,080,096	767,987	44,565	6,837,526	7,143,539
11									
12	ASSOC. INCR IN INCOME TAXES	34,207,310	18,729,003	-344,721	2,789,183	525,002	30,465	4,674,182	4,883,375
13									
14	TOTAL INCREASE IN RETURN & INC TAXES	84,246,727	46,126,318	-848,989	6,869,279	1,292,989	75,031	11,511,708	12,026,914
15									
16	INCREASE IN REVENUE-RELATED	1,497,954	820,152	-15,096	122,140	22,990	1,334	204,685	213,845
17									
18	OPERATING EXPENSES PER COSS	636,547,276	245,552,505	22,186,800	88,583,189	6,719,663	5,963,048	119,610,550	107,202,447
19	INCOME TAXES PER COSS	78,229,847	8,425,366	8,467,028	20,515,758	32,846	1,790,435	22,066,118	16,510,012
20	RETURN PER COSS	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
21									
22	TOTAL REVENUE REQUIREMENT	973,577,994	335,851,981	44,141,161	154,781,736	8,693,394	10,975,838	196,819,127	169,946,467
23	LESS OTHER REVENUES	20,405,463	8,552,852	836,754	2,322,025	183,105	124,775	3,163,543	3,645,455
24	REVENUE REQUIREMENT FROM RATES	953,172,532	327,299,129	43,304,407	152,459,711	8,510,290	10,851,063	193,655,584	166,301,012
25									
26	PRESENT RATE REVENUES	867,427,851	280,352,660	44,168,492	145,468,292	7,194,311	10,774,699	181,939,192	154,060,252
27									
28	REVENUE INCREASE TO BASE RATES	85,744,681	46,946,469	-864,085	6,991,419	1,315,979	76,365	11,716,392	12,240,760
29	PERCENT REVENUE INCREASE	9.88%	16.75%	-1.96%	4.81%	18.29%	0.71%	6.44%	7.95%
30									
31									
32	TOTAL RETURN AND INCOME TAXES	335,532,764	89,479,325	21,969,456	66,076,407	1,950,742	5,011,456	77,003,892	62,530,174

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
 UNIT COSTS AT MODERATED RATE OF RETURN
 (PROPOSED SERVICE CLASSIFICATIONS)

Line No		Rate 536 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
		(I)	(J)	(K)	(L)	(M)	(N)	(O)
1	EARNED RATE OF RETURN	1.96%	-1.69%	11.88%	14.89%	15.69%	-3.74%	-2.80%
2								
3	RATE BASE	106,755,525	11,181,215	3,837,877	11,926,225	1,458,970	5,347,072	9,373,754
4								
5	TARGET RATE OF RETURN	4.97%	2.23%	12.41%	10.72%	10.72%	10.72%	1.40%
6								
7	REQUIRED RETURN ON RATE BASE	5,302,309	249,869	476,406	1,278,963	156,459	573,418	130,984
8	EARNED RETURN ON RATE BASE	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
9								
10	REQUIRED INCREASE IN RETURN	3,215,223	438,577	20,325	-496,435	-72,403	773,526	393,845
11								
12	ASSOC. INCR IN INCOME TAXES	2,197,950	299,815	13,895	-339,367	-49,495	528,788	269,235
13								
14	TOTAL INCREASE IN RETURN & INC TAXES	5,413,172	738,392	34,220	-835,802	-121,898	1,302,314	663,080
15								
16	INCREASE IN REVENUE-RELATED	96,249	13,129	608	-14,861	-2,167	23,156	11,790
17								
18	OPERATING EXPENSES PER COSS	28,232,472	2,312,904	641,648	4,701,755	443,758	2,362,333	2,034,205
19	INCOME TAXES PER COSS	-166,024	-294,901	253,730	1,029,854	134,101	-216,049	-318,627
20	RETURN PER COSS	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
21								
22	TOTAL REVENUE REQUIREMENT	35,662,955	2,580,816	1,386,286	6,656,345	682,655	3,271,647	2,127,587
23	LESS OTHER REVENUES	1,330,883	42,003	14,101	39,095	8,253	100,295	42,325
24	REVENUE REQUIREMENT FROM RATES	34,332,072	2,538,813	1,372,185	6,617,249	674,402	3,171,352	2,085,262
25								
26	PRESENT RATE REVENUES	28,822,651	1,787,292	1,337,357	7,467,913	798,468	1,845,881	1,410,392
27								
28	REVENUE INCREASE TO BASE RATES	5,509,421	751,521	34,828	-850,663	-124,066	1,325,470	674,870
29	PERCENT REVENUE INCREASE	19.11%	42.05%	2.60%	-11.39%	-15.54%	71.81%	47.85%
30								
31								
32	TOTAL RETURN AND INCOME TAXES	7,334,234	254,783	744,030	1,969,451	241,065	886,157	81,592

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
UNIT COSTS AT MODERATED RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)

Line No		Total Company	Rate 511 Residential	Rate 521 GS Small	Rate 523 GS Medium	Rate 526 Off-Peak	Rate 527 Ltd. Prod. Lrg	Rate 533 GS large	Rate 534 Industrial Lrg
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	<u>TOTAL COST OF SERVICE</u>								
	<i>(Revenue-related distributed)</i>								
1	PRODUCTION								
2	FIXED	493,633,649	156,658,777	17,257,674	76,641,104	3,837,660	4,107,840	104,380,920	111,264,657
3	VARIABLE	75,146,535	16,129,818	2,124,611	9,921,749	948,658	1,340,011	15,981,116	19,712,641
4									
5	TRANSMISSION SUBSTAS.	85,694,473	20,252,311	2,967,291	13,151,163	824,976	762,151	18,624,563	22,214,970
6	TRANSMISSION LINES	33,940,702	7,883,539	1,218,438	5,288,434	318,220	309,498	7,448,066	8,834,365
7									
8	DISTRIB. SUBSTAS - GENERAL	36,746,551	13,994,405	1,901,063	7,723,223	499,528	1,331,298	9,817,607	788,396
9	DISTRIB. SUBSTAS - RAILROAD	850,334	0	0	0	0	0	0	0
10									
11	DISTRIB LINES PRIMARY - DEMAND	90,159,375	36,778,676	4,081,150	17,916,476	1,349,065	2,954,594	23,224,872	1,896,727
12	DISTRIB. LINES SECONDARY - DEMAND	39,064,300	18,645,856	4,665,941	10,899,327	21,184	0	4,204,306	0
13	LINE TRANSFORMERS - DEMAND	22,033,464	10,671,661	1,543,639	5,962,168	16,865	0	3,348,747	0
14									
15	SERVICES	9,141,338	7,235,508	1,183,647	632,360	145	0	69,727	0
16	METERS	19,513,616	11,105,297	2,883,348	2,962,996	47,148	8,362	2,015,749	269,701
17	STREET LIGHTING	5,104,793	0	0	0	0	0	0	0
18	DUSK-TO-DAWN LIGHTING	2,497,810	0	0	0	0	0	0	0
19	METER READING	10,141,161	5,483,728	641,273	510,982	37,487	3,805	3,387,615	46,396
20	BILLING & COLLECTING	24,062,342	18,923,922	2,255,118	597,737	570,051	33,495	699,082	811,656
21	CUSTOMER ACCOUNTS OTHER	215,853	184,447	19,903	5,484	5	0	439	6
22	CUSTOMER INFORMATION	1,566,623	250,341	202,569	150,765	39,213	0	445,149	461,393
23	SALES EXPENSE	3,659,614	3,100,844	358,743	95,744	85	9	7,624	104
24	DIRECT TO RETAIL	0	0	0	0	0	0	0	0
25	REVENUE - OTHER (UNCOLL. ACCTS)	0	0	0	0	0	0	0	0
26									
27	REVENUE TAXES	0	0	0	0	0	0	0	0
28									
29	TOTAL COST OF SERVICE FROM RATES	953,172,532	327,299,129	43,304,407	152,459,711	8,510,290	10,851,063	193,655,584	166,301,012

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
 UNIT COSTS AT MODERATED RATE OF RETURN
 (PROPOSED SERVICE CLASSIFICATIONS)

Line No		Rate 536 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
		(I)	(J)	(K)	(L)	(M)	(N)	(O)
	TOTAL COST OF SERVICE <i>(Revenue-related distributed)</i>							
1	PRODUCTION							
2	FIXED	17,134,429	347,708	287,022	347,203	221,603	98,898	1,048,154
3	VARIABLE	8,229,524	110,772	85,473	240,075	44,539	68,330	209,218
4								
5	TRANSMISSION SUBSTAS.	6,405,974	72,638	103,283	111,278	42,190	30,265	131,422
6	TRANSMISSION LINES	2,449,385	27,000	41,825	44,759	16,956	12,180	48,036
7								
8	DISTRIB. SUBSTAS - GENERAL	0	299,483	0	200,338	18,699	53,714	118,799
9	DISTRIB. SUBSTAS - RAILROAD	0	0	850,334	0	0	0	0
10								
11	DISTRIB LINES PRIMARY - DEMAND	0	932,736	0	466,292	43,525	124,920	390,342
12	DISTRIB. LINES SECONDARY - DEMAND	0	354,939	0	159,878	14,923	42,844	55,102
13	LINE TRANSFORMERS - DEMAND	0	191,423	0	159,188	14,853	42,697	82,223
14								
15	SERVICES	0	19,951	0	0	0	0	0
16	METERS	95,534	124,252	0	0	0	0	1,229
17	STREET LIGHTING	0	0	0	4,850,774	254,019	0	0
18	DUSK-TO-DAWN LIGHTING	0	0	0	0	0	2,497,810	0
19	METER READING	16,952	8,419	3,767	0	0	0	738
20	BILLING & COLLECTING	233	28,838	473	22,102	1,825	117,809	0
21	CUSTOMER ACCOUNTS OTHER	2	293	0	822	68	4,382	0
22	CUSTOMER INFORMATION	1	15,575	0	252	21	1,343	0
23	SALES EXPENSE	38	4,784	8	14,290	1,180	76,159	0
24	DIRECT TO RETAIL	0	0	0	0	0	0	0
25	REVENUE - OTHER (UNCOLL. ACCTS)	0	0	0	0	0	0	0
26								
27	REVENUE TAXES	0	0	0	0	0	0	0
28								
29	TOTAL COST OF SERVICE FROM RATES	34,332,072	2,538,813	1,372,185	6,617,249	674,402	3,171,352	2,085,262

**REVENUE REQUIREMENT, UNBUNDLED COSTS,
UNIT COSTS AT MODERATED RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)**

Petitioner's Exhibit No. RDG-3 (2nd Revised)
Northern Indiana Public Service Company
Cause No. 43528

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 (ELECTRIC OPERATIONS)
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007

REVENUE REQUIREMENT, UNBUNDLED COSTS,
UNIT COSTS AT MODERATED RATE OF RETURN
(PROPOSED SERVICE CLASSIFICATIONS)

Line No		Rate 536 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
		(I)	(J)	(K)	(L)	(M)	(N)	(O)
<u>BILLING DETERMINANTS</u>								
1	KWH SALES	2,084,025,091	25,736,597	18,905,250	48,891,853	9,129,140	14,252,921	48,840,763
2								
3	AVERAGE MONTH BILLING KW							
4	TRANSMISSION	249,900	0	6,598	0	4,538	0	0
5	PRIMARY	0	0	6,598	0	4,538	0	0
6	SECONDARY	0	0	0	0	4,538	0	0
7								
8	AVG. NO. OF CUSTOMERS	5	644	1	1,725	143	9,429	0
9								
10	<u>UNIT COSTS</u>							
11		\$/KWH/MO.	\$/KWH/MO.	\$/KWH/MO.	\$/KWH/MO.	\$/KWH/MO.	\$/KWH/MO.	
12	PRODUCTION FIXED	\$ 5.71	\$ 0.01351	\$ 3.63	\$ 0.00710	\$ 0.02427	\$ 0.00694	
13								
14	PRODUCTION VARIABLE	\$ 0.00395	\$ 0.00430	\$ 0.00452	\$ 0.00491	\$ 0.00488	\$ 0.00479	
15								
16	TRANSMISSION	\$ 2.95	\$ 0.00387	\$ 1.83	\$ 0.00319	\$ 0.00648	\$ 0.00298	
17								
18	DISTRIBUTION							
19	PRIMARY	\$ -	\$ 0.04788	\$ 10.74	\$ 0.01363	\$ 0.00682	\$ 0.01253	
20	SECONDARY	\$ -	\$ 0.02123	\$ -	\$ 0.00653	\$ 0.00326	\$ 0.00600	
21								
22	DISTRIBUTION TOTAL	\$ -	\$ 0.06911	\$ 10.74	\$ 0.02016	\$ 0.01008	\$ 0.01853	
23								
24	TOTAL \$/KWH	\$ 0.00395	\$ 0.09079	\$ 0.00452	\$ 0.03536	\$ 0.04571	\$ 0.03325	
25	TOTAL \$/KW (@ LOWEST SERVICE LEVEL)	\$ 8.67	\$ -	\$ 16.20	\$ -	\$ -	\$ -	
26								
27	CUSTOMER (\$/CUSTOMER/MONTH)							
28	SERVICES	\$ -	\$ 2.58	\$ -	\$ -	\$ -	\$ -	
29	METERS	1,592.23	16.08	-	-	-	-	
30	STREET LIGHTING	-	-	-	234.34	148.03	-	
31	METER READING	282.53	1.09	313.94	-	-	-	
32	BILLING & COLLECTING	3.88	3.73	39.41	1.07	1.06	1.04	
33	CUSTOMER ACCOUNTS OTHER	0.04	0.04	0.04	0.04	0.04	0.04	
34	CUSTOMER INFORMATION	0.01	2.02	0.01	0.01	0.01	0.01	
35	SALES EXPENSE	0.64	0.62	0.70	0.69	0.69	0.67	
36								
37	CUSTOMER TOTAL	\$ 1,879.33	\$ 26.15	\$ 354.11	\$ 236.15	\$ 149.83	\$ 1.76	

**NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
SUMMARY: EFFECT OF 25% MODERATION**

Line No.		Total Company	Rate 511 Residential	Rate 521 GS Small	Rate 523 GS Medium	Rate 526 Off-Peak	Rate 527 Ltd. Prod. Lrg	Rate 533 GS large	Rate 534 Industrial Lrg
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	1985 Rates, No Rate Increase, Classes at Parity								
2	Revenue Increase	0	54,976,783	(14,791,438)	(22,589,389)	1,866,554	(2,749,484)	(18,176,781)	(8,535,568)
3	Increase / <Decrease> over Present Revenues	0.00%	19.61%	-33.49%	-15.53%	25.94%	-25.52%	-9.99%	-5.54%
4									
5	Refilling, Classes at Parity								
6	Revenue Increase	85,744,681	88,179,057	(11,957,663)	(9,950,623)	2,715,894	(1,985,748)	(1,916,193)	5,839,084
7	Increase / <Decrease> over Present Revenues	9.88%	31.45%	-27.07%	-6.84%	37.75%	-18.43%	-1.05%	3.79%
8									
9	Refilling at Parity minus 1985 Rates at Parity (overlay to moderated increase)								
10	Revenue Increase	85,744,681	33,202,274	2,833,775	12,638,766	849,340	763,736	16,260,588	14,374,651
11	Increase / <Decrease> over Present Revenues	9.88%	11.84%	6.42%	8.69%	11.81%	7.09%	8.94%	9.33%
12	Moderation of 1985 Rates with No Rate Increase (using one-fourth rule)								
13	Revenue Increase	0	13,744,196	(3,697,859)	(5,647,347)	466,638	(687,371)	(4,544,195)	(2,133,892)
14	Increase / <Decrease> over Present Revenues	0.00%	4.90%	-8.37%	-3.88%	6.49%	-6.38%	-2.50%	-1.39%
15	Total Moderated Increase (line 9 + line 12)	85,744,681	46,946,469	(864,085)	6,991,419	1,315,979	76,365	11,716,392	12,240,760
16	Increase / <Decrease> over Present Revenues	9.88%	16.75%	-1.96%	4.81%	18.29%	0.71%	6.44%	7.95%
17									
18	Test Improvement in Rate of Return Index								
19	Present Rate of Return	6.49%	3.38%	16.29%	9.85%	2.37%	13.25%	8.59%	7.61%
20	Index with respect to total	1.00	0.52	2.51	1.52	0.36	2.04	1.32	1.17
21									
22	Proposed Rate of Return	8.37%	6.04%	15.72%	10.89%	5.28%	13.44%	9.94%	9.21%
23	Index with respect to total	1.00	0.72	1.88	1.30	0.63	1.61	1.19	1.10
24		Same	Better	Better	Better	Better	Better	Better	Better

**NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
SUMMARY: EFFECT OF 25% MODERATION**

Line No.		Rate 536	Rate 541	Rate 544	Rate 550	Rate 555	Rate 560	
		Interrupt. Ind.	Water Pumpg	Railroad	Street Ltg	Traffic Ltg	Dusk-to-Dawn	Interdept'l
		(I)	(J)	(K)	(L)	(M)	(N)	(O)
1	1985 Rates, No Rate Increase, Classes at Parity							
2	Revenue Increase	8,300,695	1,567,317	(354,534)	(1,715,378)	(229,849)	937,779	1,493,294
3	Increase / <Decrease> over Present Revenues	28.80%	87.69%	-26.51%	-22.97%	-28.79%	50.80%	105.88%
4								
5	Refilling, Classes at Parity							
6	Revenue Increase	11,734,943	1,927,009	(231,072)	(1,331,720)	(182,915)	1,109,790	1,794,841
7	Increase / <Decrease> over Present Revenues	40.71%	107.82%	-17.28%	-17.83%	-22.91%	60.12%	127.26%
8								
9	Refilling at Parity minus 1985 Rates at Parity (overlay to moderated increase)							
10	Increase / <Decrease> over Present Revenues	11.92%	20.12%	9.23%	5.14%	5.88%	9.32%	21.38%
11								
12	Moderation of 1985 Rates with No Rate Increase (using one-fourth rule)							
13	Increase / <Decrease> over Present Revenues	7.20%	21.92%	-6.63%	-16.53%	-21.42%	62.49%	26.47%
14								
15	Total Moderated Increase (line 9 + line 12)	5,509,421	751,521	34,828	(850,663)	(124,066)	1,325,470	674,870
16	Increase / <Decrease> over Present Revenues	19.11%	42.05%	2.60%	-11.39%	-15.54%	71.81%	47.85%
17								
18	Test Improvement in Rate of Return Index							
19	Present Rate of Return	1.96%	-1.69%	11.88%	14.89%	15.69%	-3.74%	-2.80%
20	Index with respect to total	0.30	(0.26)	1.83	2.29	2.42	(0.58)	(0.43)
21								
22	Proposed Rate of Return	4.97%	2.23%	12.41%	10.72%	10.72%	10.72%	1.40%
23	Index with respect to total	0.59	0.27	1.48	1.28	1.28	1.28	0.17
24		Better	Better	Better	Better	Better	Better	Better

NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
1985 RATES AT MODERATED RATE OF RETURN

Line No		Total Company	Rate 511 Residential	Rate 521 GS Small	Rate 523 GS Medium	Rate 526 Off-Peak	Rate 527 Ltd. Prod. Lrg	Rate 533 GS large	Rate 534 Industrial Lrg
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	EARNED RATE OF RETURN	8.49%	3.38%	16.29%	9.85%	2.37%	13.25%	8.59%	7.61%
2									
3	RATE BASE	2,665,421,829	1,032,111,430	88,089,483	392,883,185	26,402,222	23,741,157	505,469,551	446,844,161
4									
5	TARGET RATE OF RETURN	6.49%	4.16%	13.84%	9.01%	3.40%	11.56%	8.07%	7.33%
6									
7	REQUIRED RETURN ON RATE BASE	173,056,390	42,948,565	12,193,398	35,395,655	897,231	2,744,850	40,774,136	32,747,937
8	EARNED RETURN ON RATE BASE	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
9									
10	REQUIRED INCREASE IN RETURN	0	8,020,924	-2,158,020	-3,295,714	272,324	-401,140	-2,651,930	-1,245,310
11									
12	ASSOC. INCR IN INCOME TAXES	0	5,483,162	-1,475,238	-2,252,974	186,163	-274,222	-1,812,879	-851,303
13									
14	TOTAL INCREASE IN RETURN & INC TAXES	0	13,504,086	-3,633,258	-5,548,688	458,486	-675,363	-4,484,808	-2,096,613
15									
16	INCREASE IN REVENUE-RELATED	0	240,110	-64,601	-98,659	8,152	-12,008	-79,387	-37,279
17									
18	OPERATING EXPENSES PER COSS	636,547,276	245,552,505	22,186,800	88,583,189	6,719,663	5,963,048	119,610,550	107,202,447
19	INCOME TAXES PER COSS	78,229,647	8,425,366	8,467,028	20,515,758	32,846	1,790,435	22,066,118	16,510,012
20	RETURN PER COSS	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
21									
22	TOTAL REVENUE REQUIREMENT	887,833,314	302,649,707	41,307,387	142,142,970	7,844,054	10,212,103	180,558,539	155,571,815
23	LESS OTHER REVENUES	20,405,463	8,552,852	836,754	2,322,025	183,105	124,775	3,163,543	3,645,455
24	REVENUE REQUIREMENT FROM RATES	867,427,851	294,096,855	40,470,633	139,820,945	7,660,949	10,087,328	177,394,997	151,926,360
25									
26	PRESENT RATE REVENUES	867,427,851	280,352,660	44,168,492	145,468,292	7,194,311	10,774,699	181,939,192	154,060,252
27									
28	REVENUE INCREASE TO BASE RATES	0	13,744,196	-3,697,859	-5,647,347	466,638	-687,371	-4,544,195	-2,133,892
29	PERCENT REVENUE INCREASE	0.00%	4.90%	-8.37%	-3.88%	6.49%	-6.38%	-2.50%	-1.39%
30									
31									
32	TOTAL RETURN AND INCOME TAXES	251,286,037	56,857,092	19,185,187	53,658,439	1,116,239	4,261,063	61,027,375	48,406,647

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
 1985 RATES AT MODERATED RATE OF RETURN

Line No		Rate 536 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
		(I)	(J)	(K)	(L)	(M)	(N)	(O)
1	EARNED RATE OF RETURN	1.96%	-1.69%	11.88%	14.89%	15.69%	-3.74%	-2.80%
2								
3	RATE BASE	106,755,525	11,181,215	3,837,877	11,926,225	1,458,970	5,347,072	9,373,754
4								
5	TARGET RATE OF RETURN	3.09%	0.36%	10.54%	8.85%	-8.85%	8.85%	-0.48%
6								
7	REQUIRED RETURN ON RATE BASE	3,298,129	39,958	404,356	1,055,066	129,069	473,034	-44,995
8	EARNED RETURN ON RATE BASE	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
9								
10	REQUIRED INCREASE IN RETURN	1,211,043	228,666	-51,725	-720,333	-99,793	673,143	217,866
11								
12	ASSOC. INCR IN INCOME TAXES	827,878	156,318	-35,360	-492,425	-68,219	460,165	148,935
13								
14	TOTAL INCREASE IN RETURN & INC TAXES	2,038,921	384,984	-87,085	-1,212,758	-168,012	1,133,308	368,802
15								
16	INCREASE IN REVENUE-RELATED	36,253	6,845	-1,548	-21,564	-2,987	20,151	6,522
17								
18	OPERATING EXPENSES PER COSS	28,232,472	2,312,904	641,648	4,701,755	443,758	2,362,333	2,034,205
19	INCOME TAXES PER COSS	-166,024	-294,901	253,730	1,029,854	134,101	-216,049	-318,627
20	RETURN PER COSS	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
21					10,008,043			
22	TOTAL REVENUE REQUIREMENT	32,228,707	2,221,124	1,262,825	6,272,687	635,721	3,099,635	1,826,040
23	LESS OTHER REVENUES	1,330,883	42,003	14,101	39,095	8,253	100,295	42,325
24	REVENUE REQUIREMENT FROM RATES	30,897,825	2,179,121	1,248,724	6,233,591	627,468	2,999,340	1,783,715
25								
26	PRESENT RATE REVENUES	28,822,651	1,787,292	1,337,357	7,467,913	798,468	1,845,881	1,410,392
27								
28	REVENUE INCREASE TO BASE RATES	2,075,174	391,829	-88,633	-1,234,321	-171,000	1,153,459	373,324
29	PERCENT REVENUE INCREASE	7.20%	21.92%	-6.63%	-16.53%	-21.42%	62.49%	26.47%
30								
31								
32	TOTAL RETURN AND INCOME TAXES	3,959,983	-98,625	622,726	1,592,495	194,951	717,151	-214,687

**NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
1985 RATES AT MODERATED RATE OF RETURN**

Line No	Total Company	Rate 511 Residential	Rate 521 GS Small	Rate 523 GS Medium	Rate 526 Off-Peak	Rate 527 Ltd. Prod. Lrg	Rate 533 GS large	Rate 534 Industrial Lrg
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Mechanism to Moderate Increases								
1	Step 1 Target Percent Increase to Rates for which Increase is Indicated -->							
2	25.000%							
3	Moderated Increases -->	4,551,155	3,436,049	0	0	116,660	0	0
4	Full Indicated Decreases -->	(18,204,619)	0	-3,697,859	-5,647,347	0	-687,371	-4,544,195
5								
6	Present Revenue	867,427,851	280,352,660	44,168,492	145,468,292	7,194,311	10,774,699	181,939,192
7	Increases	4,551,155	3,436,049	0	0	116,660	0	0
8	Sub-Total	871,979,005	283,788,709	44,168,492	145,468,292	7,310,971	10,774,699	181,939,192
9	Target Revenue	867,427,851						
10	Allocate Revenue Shortfall	-4,551,154	0	-924,465	-1,411,837	0	-171,843	-1,136,049
11	Total Revenue	867,427,851	283,788,709	43,244,027	144,056,455	7,310,971	10,602,856	180,803,143
12	Overall Increase	0.00%	1.23%	-2.09%	-0.97%	1.62%	-1.59%	-0.62%
13	Revenue Increase / <Decrease>	0	3,436,049	(924,465)	(1,411,837)	116,660	(171,843)	(1,136,049)
14	Margin Increase / <Decrease>	0	2,005,231	(539,505)	(823,929)	68,081	(100,285)	(662,982)
15								
16	Target Rate of Return	6.49%	3.58%	15.68%	9.64%	2.62%	12.83%	8.46%
17	Target Rate of Return with Equalized Lighting Rates	6.49%	3.58%	15.68%	9.64%	2.62%	12.83%	8.46%

NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
1985 RATES AT MODERATED RATE OF RETURN

Line No		Rate 538 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
		(I)	(J)	(K)	(L)	(M)	(N)	(O)
	Mechanism to Moderate Increases							
	<i>Step 1 Target Percent Increase to Rates for which Increase is Indicated --></i>							
1								
2								
3	Moderated Increases ->	518,793	97,957	0	0	0	288,365	93,331
4	Full Indicated Decreases ->	0	0	-88,633	-1,234,321	-171,000	0	0
5								
6	Present Revenue	28,822,651	1,787,292	1,337,357	7,467,913	798,468	1,845,881	1,410,392
7	Increases	518,793	97,957	0	0	0	288,365	93,331
8	Sub-Total	29,341,444	1,885,250	1,337,357	7,467,913	798,468	2,134,246	1,503,723
9	Target Revenue							
10	Allocate Revenue Shortfall	0	0	-22,158	-308,580	-42,750	0	0
11	Total Revenue	29,341,444	1,885,250	1,315,199	7,159,332	755,718	2,134,246	1,503,723
12	Overall Increase	1.80%	5.48%	-1.66%	-4.13%	-5.35%	15.62%	6.62%
13	Revenue Increase / <Decrease>	518,793	97,957	(22,158)	(308,580)	(42,750)	288,365	93,331
14	Margin Increase / <Decrease>	302,761	57,167	(12,931)	(180,083)	(24,948)	168,286	54,467
15								
16	Target Rate of Return	2.24%	-1.18%	11.55%	13.38%	13.98%	-0.60%	-2.22%
17	Target Rate of Return with Equalized Lighting Rates	2.24%	-1.18%	11.55%	9.44%	9.44%	9.44%	-2.22%

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
 1985 RATES, REVISED REV. REQ'T, CLASSES AT PARITY

Line No		Total Company	Rate 511 Residential	Rate 521 GS Small	Rate 523 GS Medium	Rate 526 Off-Peak	Rate 527 Ltd. Prod. Lrg	Rate 533 GS large	Rate 534 Industrial Lrg
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	EARNED RATE OF RETURN	6.49%	3.38%	16.29%	9.85%	2.37%	13.25%	8.59%	7.61%
2									
3	RATE BASE	2,665,421,829	1,032,111,430	88,089,483	392,883,185	26,402,222	23,741,157	505,469,551	446,844,161
4									
5	TARGET RATE OF RETURN	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%
6									
7	REQUIRED RETURN ON RATE BASE	223,095,807	86,387,727	7,373,090	32,884,323	2,209,866	1,987,135	42,307,801	37,400,856
8	EARNED RETURN ON RATE BASE	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
9									
10	REQUIRED INCREASE IN RETURN	50,039,417	51,460,086	-6,978,328	-5,807,047	1,584,958	-1,158,855	-1,118,264	3,407,609
11									
12	ASSOC. INCR IN INCOME TAXES	34,207,310	35,178,489	-4,770,436	-3,969,740	1,083,489	-792,202	-764,453	2,329,466
13									
14	TOTAL INCREASE IN RETURN & INC TAXES	84,246,727	86,638,574	-11,748,764	-9,776,787	2,668,448	-1,951,058	-1,882,718	5,737,075
15									
16	INCREASE IN REVENUE-RELATED	1,497,954	1,540,482	-208,900	-173,837	47,446	-34,691	-33,476	102,008
17									
18	OPERATING EXPENSES PER COSS	636,547,276	245,552,505	22,186,800	88,583,189	6,719,663	5,963,048	119,610,550	107,202,447
19	INCOME TAXES PER COSS	78,229,647	8,425,366	8,467,028	20,515,758	32,846	1,790,435	22,066,118	16,510,012
20	RETURN PER COSS	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
21									
22	TOTAL REVENUE REQUIREMENT	973,577,994	377,084,568	33,047,583	137,839,694	10,093,310	8,913,725	183,186,541	163,544,791
23	LESS OTHER REVENUES	20,405,463	8,552,852	836,754	2,322,025	183,105	124,775	3,163,543	3,645,455
24	REVENUE REQUIREMENT FROM RATES	953,172,532	368,531,716	32,210,829	135,517,669	9,910,205	8,788,950	180,022,998	159,899,336
25									
26	PRESENT RATE REVENUES	867,427,851	280,352,660	44,168,492	145,468,292	7,194,311	10,774,699	181,939,192	154,060,252
27									
28	REVENUE INCREASE TO BASE RATES	85,744,681	88,179,057	-11,957,663	-9,950,623	2,715,894	-1,985,748	-1,916,193	5,839,084
29	PERCENT REVENUE INCREASE	9.88%	31.45%	-27.07%	-6.84%	37.75%	-18.43%	-1.05%	3.79%
30									

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
 1985 RATES, REVISED REV. REQ'T, CLASSES AT PARITY

Line No		Rate 536 Interrupt. Ind. (I)	Rate 541 Water Pumpg (J)	Rate 544 Railroad (K)	Rate 550 Street Ltg (L)	Rate 555 Traffic Ltg (M)	Rate 560 Dusk-to-Dawn (N)	Interdept'l (O)
1	EARNED RATE OF RETURN	1.96%	-1.69%	11.88%	-14.89%	15.69%	-3.74%	-2.80%
2								
3	RATE BASE	106,755,525	11,181,215	3,837,877	11,926,225	1,458,970	5,347,072	9,373,754
4								
5	TARGET RATE OF RETURN	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%	8.37%
6								
7	REQUIRED RETURN ON RATE BASE	8,935,437	935,868	321,230	998,225	122,116	447,550	784,583
8	EARNED RETURN ON RATE BASE	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
9								
10	REQUIRED INCREASE IN RETURN	6,848,351	1,124,576	-134,851	-777,174	-106,747	647,658	1,047,444
11								
12	ASSOC. INCR IN INCOME TAXES	4,681,583	768,768	-92,185	-531,282	-72,973	442,744	716,041
13								
14	TOTAL INCREASE IN RETURN & INC TAXES	11,529,934	1,893,344	-227,035	-1,308,455	-179,719	1,090,402	1,763,485
15								
16	INCREASE IN REVENUE-RELATED	205,009	33,665	-4,037	-23,265	-3,196	19,388	31,356
17								
18	OPERATING EXPENSES PER COSS	28,232,472	2,312,904	641,648	4,701,755	443,758	2,362,333	2,034,205
19	INCOME TAXES PER COSS	-166,024	-294,901	253,730	1,029,854	134,101	-216,049	-318,627
20	RETURN PER COSS	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
21								
22	TOTAL REVENUE REQUIREMENT	41,888,476	3,756,304	1,120,386	6,175,287	623,806	3,055,967	3,247,557
23	LESS OTHER REVENUES	1,330,883	42,003	14,101	39,095	8,253	100,295	42,325
24	REVENUE REQUIREMENT FROM RATES	40,557,594	3,714,301	1,106,285	6,136,192	615,553	2,955,672	3,205,233
25								
26	PRESENT RATE REVENUES	28,822,651	1,787,292	1,337,357	7,467,913	798,468	1,845,881	1,410,392
27								
28	REVENUE INCREASE TO BASE RATES	11,734,943	1,927,009	-231,072	-1,331,720	-182,915	1,109,790	1,794,841
29	PERCENT REVENUE INCREASE	40.71%	107.82%	-17.28%	-17.83%	-22.91%	60.12%	127.26%
30								

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 COST OF SERVICE STUDY
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
 1985 RATES, NO RATE INCREASE, CLASSES AT PARITY

Line No		Total Company (A)	Rate 511 Residential (B)	Rate 521 GS Small (C)	Rate 523 GS Medium (D)	Rate 526 Off-Peak (E)	Rate 527 Ltd. Prod. Lrg (F)	Rate 533 GS large (G)	Rate 534 Industrial Lrg (H)
1	EARNED RATE OF RETURN	6.49%	3.38%	16.29%	9.85%	2.37%	13.25%	8.59%	7.61%
2									
3	RATE BASE	2,665,421,829	1,032,111,430	88,089,483	392,883,185	26,402,222	23,741,157	505,469,551	446,844,161
4									
5	TARGET RATE OF RETURN	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%
6									
7	REQUIRED RETURN ON RATE BASE	173,056,390	67,011,336	5,719,338	25,508,512	1,714,203	1,541,429	32,818,346	29,012,007
8	EARNED RETURN ON RATE BASE	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
9									
10	REQUIRED INCREASE IN RETURN	0	32,083,695	-8,632,080	-13,182,857	1,089,295	-1,604,561	-10,607,720	-4,981,240
11									
12	ASSOC. INCR IN INCOME TAXES	0	21,932,647	-5,900,953	-9,011,897	744,650	-1,096,890	-7,251,514	-3,405,212
13									
14	TOTAL INCREASE IN RETURN & INC TAXES	0	54,016,342	-14,533,033	-22,194,754	1,833,945	-2,701,451	-17,859,234	-8,386,452
15									
16	INCREASE IN REVENUE-RELATED	0	960,441	-258,405	-394,635	32,609	-48,033	-317,547	-149,116
17									
18	OPERATING EXPENSES PER COSS	636,547,276	245,552,505	22,186,800	88,583,189	6,719,663	5,963,048	119,610,550	107,202,447
19	INCOME TAXES PER COSS	78,229,647	8,425,366	8,467,028	20,515,758	32,846	1,790,435	22,066,118	16,510,012
20	RETURN PER COSS	173,056,390	34,927,641	14,351,418	38,691,370	624,908	3,145,990	43,426,066	33,993,247
21									
22	TOTAL REVENUE REQUIREMENT	887,833,314	343,882,295	30,213,808	125,200,927	9,243,969	8,149,990	166,925,953	149,170,139
23	LESS OTHER REVENUES	20,405,463	8,552,852	836,754	2,322,025	183,105	124,775	3,163,543	3,645,455
24	REVENUE REQUIREMENT FROM RATES	867,427,851	335,329,443	29,377,054	122,878,903	9,060,865	8,025,214	163,762,411	145,524,684
25									
26	PRESENT RATE REVENUES	867,427,851	280,352,660	44,168,492	145,468,292	7,194,311	10,774,699	181,939,192	154,060,252
27									
28	REVENUE INCREASE TO BASE RATES	0	54,976,783	-14,791,438	-22,589,389	1,866,554	-2,749,484	-18,176,781	-8,535,568
29	PERCENT REVENUE INCREASE	0.00%	19.61%	-33.49%	-15.53%	25.94%	-25.52%	-9.99%	-5.54%
30									
31									
32	TOTAL RETURN AND INCOME TAXES	251,286,037	97,369,349	8,285,413	37,012,373	2,491,698	2,234,975	47,632,950	42,116,808

NORTHERN INDIANA PUBLIC SERVICE COMPANY
COST OF SERVICE STUDY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007
1985 RATES, NO RATE INCREASE, CLASSES AT PARITY

Line No		Rate 536 Interrupt. Ind.	Rate 541 Water Pumpg	Rate 544 Railroad	Rate 550 Street Ltg	Rate 555 Traffic Ltg	Rate 560 Dusk-to-Dawn	Interdept'l
		(I)	(J)	(K)	(L)	(M)	(N)	(O)
1	EARNED RATE OF RETURN	1.96%	-1.69%	11.88%	14.89%	15.69%	-3.74%	-2.80%
2								
3	RATE BASE	106,755,525	11,181,215	3,837,877	11,926,225	1,458,970	5,347,072	9,373,754
4								
5	TARGET RATE OF RETURN	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%
6								
7	REQUIRED RETURN ON RATE BASE	6,931,258	725,957	249,180	774,328	94,726	347,166	608,605
8	EARNED RETURN ON RATE BASE	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
9								
10	REQUIRED INCREASE IN RETURN	4,844,172	914,665	-206,901	-1,001,071	-134,137	547,275	871,466
11								
12	ASSOC. INCR IN INCOME TAXES	3,311,511	625,271	-141,439	-684,340	-91,697	374,121	595,740
13								
14	TOTAL INCREASE IN RETURN & INC TAXES	8,155,683	1,539,936	-348,340	-1,685,411	-225,833	921,396	1,467,206
15								
16	INCREASE IN REVENUE-RELATED	145,013	27,381	-6,194	-29,968	-4,015	16,383	26,088
17								
18	OPERATING EXPENSES PER COSS	28,232,472	2,312,904	641,648	4,701,755	443,758	2,362,333	2,034,205
19	INCOME TAXES PER COSS	-166,024	-294,901	253,730	1,029,854	134,101	-216,049	-318,627
20	RETURN PER COSS	2,087,086	-188,708	456,081	1,775,399	228,862	-200,108	-262,861
21								
22	TOTAL REVENUE REQUIREMENT	38,454,229	3,396,612	996,924	5,791,629	576,872	2,883,955	2,946,010
23	LESS OTHER REVENUES	1,330,883	42,003	14,101	39,095	8,253	100,295	42,325
24	REVENUE REQUIREMENT FROM RATES	37,123,346	3,354,609	982,823	5,752,534	568,619	2,783,660	2,903,686
25								
26	PRESENT RATE REVENUES	28,822,651	1,787,292	1,337,357	7,467,913	798,468	1,845,881	1,410,392
27								
28	REVENUE INCREASE TO BASE RATES	8,300,695	1,567,317	-354,534	-1,715,378	-229,849	937,779	1,493,294
29	PERCENT REVENUE INCREASE	28.80%	87.69%	-26.51%	-22.97%	-28.79%	50.80%	105.88%
30								
31								
32	TOTAL RETURN AND INCOME TAXES	10,076,745	1,056,327	361,470	1,119,842	137,130	505,239	885,718

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
STEP ONE REVENUE PROOF - PROPOSED RATES

Proposed Rate 511 - Residential Service

(A)	At Earned Margin 1,2/				At Proposed Margin 1/	
	Percent Distribution	Pro forma Billing Determinants (Bills, kWh, kW)	Rate	"Margin" or Base Revenues	Proposed Rate	Proposed "Margin" or Base Revenues
(B)	(C)	(D)	(E)	(F)	(G)	
1 Customer Charge,		4,813,076	\$ 5.95	\$ 28,637,802	\$ 10.40	\$ 50,055,990
2						
3 Energy Charge						
4 All kWh (Excl. Space Heating)		3,452,931,987	\$ 0.072361	\$ 249,857,912	\$ 0.079580	\$ 274,784,328
5 Space Heating 811 (Over 700 kWh)		57,265,740	0.048934	2,802,242	0.057020	3,265,292
6 Space Heating 812 & 813 (Over 700 kWh)		15,255,561	0.032444	494,951	0.057020	869,872
7						
8 Total Energy		3,525,453,288		\$ 253,155,105		\$ 278,919,492
9						
10 Total Calculated Margin				\$ 281,792,907		\$ 328,975,482
11						
12 Adjustment Factor				0.994889		0.994889
13						
14 Total Adjusted Margin				\$ 280,352,660		\$ 327,294,084
15 Target Margin				\$ 280,352,660		\$ 327,299,129
16 Over / <Under>						\$ (5,045)
17 Percent Incr./<Decr.> vs. Existing						16.75%
18						
19						

20 1/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.

21 2/ Existing margin for Customers on rates 811, 812 and 813.

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
STEP ONE REVENUE PROOF - PROPOSED RATES

(A)	(B)	At Earned Margin 3, 4/		Proposed Rate 521 - General Service Small		At Proposed Margin 3/	
		Percent Distribution	Determinants (Bills, kWh, kW)	Rate (D)	"Margin" or Base Revenues (E)	Proposed Rate (F)	Proposed "Margin" or Base Revenues (G)
1 Customer Charge			496,188 \$	6.09 \$	3,022,406 \$	12.40 \$	6,152,727
2							
3 Energy Charge							
4 kWh			411,597,209 \$	0.100518 \$	41,372,992 \$	0.090800 \$	37,373,027
5							
6 Total Energy			411,597,209		41,372,992		37,373,027
7							
8 Total Calculated Margin					44,395,397		43,525,753
9							
10 Adjustment Factor					0.994889		0.994889
11							
12 Total Adjusted Margin							
13 Target Margin					44,168,492		43,303,292
14 Over / <Under>					44,168,492		43,304,407
15 Percent Incr./<Decr.> vs. Existing							(1,115)
16							-1.96%
17							

3/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.

4/ Existing margin for Customers on rates 820, 821, 822, 823, 824 & 848

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
STEP ONE REVENUE PROOF - PROPOSED RATES

(A)	Proposed Rate 523 - General Service Medium				At Proposed Margin 5/	
	At Earned Margin 5.6/		"Margin" or Base Revenues		Proposed Rate	
	Percent Distribution (B)	Pro forma Billing Determinants (Bills, kWh, kW) (C)	Rate (D)	"Margin" or Base Revenues (E)	Proposed Rate (F)	Proposed "Margin" or Base Revenues (G)
1 Customer Charge		138,859 \$	78.85 \$	10,948,759 \$	32.55 \$	4,519,850
2 Demand Metered Customers						
3 Energy Charge		1,106,789,505 \$	0.016477 \$	18,236,939 \$	0.004900 \$	5,423,269
4 kWh						
5 Sub-Total Energy		1,106,789,505		18,236,939		5,423,269
6 Demand Charge (sum of applicable voltage levels)						
7 Transmission		3,102,088 \$	12.13 \$	37,628,323 \$	13.72 \$	42,560,842
8 Primary		3,102,088	2.97	9,213,200	3.70	11,477,724
9 Secondary		2,989,264	2.76	8,250,368	2.51	7,503,052
10 Thermal Storage kW		93,044	17.86	1,661,773	19.93	1,854,375
11 Total Demand		3,195,132		56,753,663		63,395,793
12 Non-Demand Metered Customers						
13 Energy Charge (all kWh)		892,661,429 \$	0.067620 \$	60,361,766 \$	0.089620 \$	80,000,317
14 Total Energy		1,999,450,934		60,361,766		80,000,317
15 Total Calculated Margin				146,301,127		153,339,228
16 Thermal Storage Discount		2,957,137		(85,525)		(93,443)
17 Total Revenue less Thermal Storage				146,215,602		153,245,785
18 Adjustment Factor				0.994889		0.994889
19 Total Adjusted Margin				145,468,292		152,462,543
20 Target Margin				145,468,292		152,459,711
21 Over / <Under>						2,833
22 Percent Incr./<Decr.> vs. Existing						4.81%

5/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.

6/ Existing margin for Customers on rates 820, 821, 822, 823, 824 & 848

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
STEP ONE REVENUE PROOF - PROPOSED RATES

		Proposed Rate 526 - Off-Peak Service					
		At Earned Margin 7, 8/			At Proposed Margin 7/		
		Percent Distribution	Pro forma Billing Determinants (Bills, kWh, kW)	Rate	"Margin" or Base Revenues	Proposed Rate	Proposed "Margin" or Base Revenues
(A)		(B)	(C)	(D)	(E)	(F)	(G)
1	Customer Charge		132	\$ 1,000.00	\$ 132,000	\$ 5,500.00	\$ 726,000
2							
3	Energy Charge						
4	All kWh		231,488,031	\$ 0.005406	\$ 1,251,322	\$ 0.004150	\$ 960,675
5							
6	Total Energy		231,488,031		\$ 1,251,322		\$ 960,675
7							
8	Demand Charge (sum of applicable voltage levels)						
9	Transmission		322,085	\$ 12.87	\$ 4,145,228	\$ 15.43	\$ 4,969,764
10	Primary		307,510	5.45	1,675,930	6.01	1,848,136
11	Secondary		12,542	1.55	19,441	3.03	38,004
12							
13	Power Factor Correction Charge (\$/kVAR)						
14	Transmission Customers			1.60		1.14	
15	Primary & Secondary Customers		18,373	0.40	7,349	0.60	11,024
16	Transmission Metering Credit						
17	Primary Metering Credit						
18							
19	Total Demand		322,085		\$ 5,847,948		\$ 6,866,927
20							
21	Total Calculated Margin				\$ 7,231,270		\$ 8,553,603
22							
23	Adjustment Factor				0.994889		0.994889
24							
25	Total Adjusted Margin				\$ 7,194,311		\$ 8,509,885
26	Target Margin				\$ 7,194,311		\$ 8,510,290
27	Over / <Under>						\$ (405)
28	Percent Incr./<Decr.> vs. Existing						18.29%
29							
30							
31	7/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.						
32	8/ Existing margin for Customers on rate 825						

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
 STEP ONE REVENUE PROOF - PROPOSED RATES

		Proposed Rate 527 - Limited Production Large				
		At Earned Margin 9,10/			At Proposed Margin 9/	
(A)	Percent Distribution	Pro forma Billing Determinants (Bills, kWh, kW)		"Margin" or Base Revenues	Proposed "Margin" or Base Revenues	
		(B)	(C)		(F)	(G)
1	Customer Charge		12		\$ 3,450.00	\$ 41,400
2						
3	Energy Charge					
4	kWh		295,360,506	\$ 0.008420	\$ 0.00456	\$ 1,346,844
5						
6	Total Energy		295,360,506	\$ 2,486,799		\$ 1,346,844
7						
8	Demand Charge (sum of applicable voltage levels)					
9	Transmission		515,592	\$ 9.14	\$ 9.45	\$ 4,872,344
10	Primary		515,592	6.38	8.35	4,305,193
11	Secondary					
12						
13	Power Factor Correction Charge (\$/kVAr)					
14	Transmission Customers				1.14	-
15	Primary & Secondary Customers		568,774	0.60	0.60	341,264
16	Transmission Metering Credit		515,592			
17	Primary Metering Credit					
18						
19	Total Demand		515,592	\$ 8,343,252		\$ 9,518,802
20						
21	Total Calculated Margin			\$ 10,830,051		\$ 10,907,046
22						
23	Adjustment Factor			0.994889		0.994889
24						
25	Total Adjusted Margin			\$ 10,774,699		\$ 10,851,300
26	Target Margin			\$ 10,774,699		\$ 10,851,063
27	Over / <Under>			-		\$ 237
28	Percent Incr./<Decr.> vs. Existing					0.71%
29						
30						
31	9/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.					
32	10/ Existing margin for Customers on rates 824, 833, 847 & 848					

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
 PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
 STEP ONE REVENUE PROOF - PROPOSED RATES

PRO FORMA TEST YEAR ENDED DECEMBER 31, 200

STEP ONE REVENUE PROOF - PROPOSED RATES

		At Earned Margin 11,12/				At Proposed Margin 11/		
		Pro forma Billing						
		Percent	Determinants (Bills,	Rate	"Margin" or Base	Proposed Rate	Proposed "Margin" or	
		Distribution	kWh, kW)		Revenues		Base Revenues	
(A)		(B)	(C)	(D)	(E)	(F)	(G)	
1	Customer Charge		11,327	\$	845.96	\$	9,582,546	
2						\$	560.00	
3	Energy Charge					\$	6,343,388	
4	kWh		3,523,031,340	\$	0.009532	\$	33,581,496	
5						\$	0.004570	
6	Total Energy		3,523,031,340			\$	16,100,253	
7								
8	Demand Charge (sum of applicable voltage levels)							
9	Transmission		8,491,593	\$	12.33	\$	104,701,344	
10	Primary		8,274,198		3.27		27,056,628	
11	Secondary		3,709,696		1.88		6,974,228	
12	Thermal Storage kW		43,646		17.48		762,939	
13								
14	Power Factor Correction Charge (\$/kVAr)							
15	Transmission Customers		24,952		1.14		28,445	
16	Primary & Secondary Customers		383,711		0.60		230,227	
17	Transmission Metering Credit							
18	Primary Metering Credit							
19								
20	Total Demand		8,491,593					
21								
22	Total Calculated Margin							
23								
24	Thermal Storage Discount		12,255,201					
25								
26	Total Revenue less Thermal Storage							
27								
28	Adjustment Factor							
29								
30	Total Adjusted Margin							
31	Target Margin							
32	Over / <Under>							
33	Percent Incr./<Decr.> vs. Existing							
34								
35								
36	11/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.							
37	12/ Existing margin for Customers on rates 823, 824, 832 & 848							

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
STEP ONE REVENUE PROOF - PROPOSED RATES

Proposed Rate 534 - Industrial Large Service						
(A)	At Earned Margin 13,14/				At Proposed Margin 13/	
	Percent Distribution	Pro forma Billing Determinants (Bills, kWh, kW)	Rate	"Margin" or Base Revenues	Proposed Rate	Proposed "Margin" or Base Revenues
(B)	(C)	(D)	(E)	(F)	(G)	
1 Customer Charge	152	\$ 195.08	\$ 29,684	\$ 10,000.00	\$ 1,521,654	
2						
3 Energy Charge						
4 kWh	4,674,038,675	\$ 0.003502	\$ 16,370,762	\$ 0.004420	\$ 20,659,251	
5						
6 Total Energy	4,674,038,675		\$ 16,370,762		\$ 20,659,251	
7						
8 Demand Charge (sum of applicable voltage levels)						
9 Transmission	10,297,716	\$ 12.88	\$ 132,634,582	\$ 13.58	\$ 139,842,983	
10 Primary	707,472	3.55	2,511,526	3.81	2,695,468	
11 Secondary						
12						
13 Power Factor Correction Charge (\$/kVAr)						
14 Transmission Customers	2,004,572	1.60	3,207,316	1.14	2,285,212	
15 Primary & Secondary Customers	244,580	0.40	97,832	0.60	146,748	
16 Transmission Metering Credit						
17 Primary Metering Credit						
18						
19 Total Demand	10,297,716		\$ 138,451,255		\$ 144,970,412	
20						
21 Total Calculated Margin			\$ 154,851,701		\$ 167,151,317	
22						
23 Adjustment Factor			0.994889		0.994889	
24						
25 Total Adjusted Margin			\$ 154,060,252		\$ 166,297,004	
26 Target Margin			\$ 154,060,252		\$ 166,301,012	
27 Over / <Under>					\$ (4,007)	
28 Percent Incr./<Decr.> vs. Existing					7.95%	
29						
30						
31 13/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.						
32 14/ Existing margin for Customers on rates 824, 833, 847 & 848						

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
STEP ONE REVENUE PROOF - PROPOSED RATES

		Proposed Rate 536 - Interruptible Industrial Service					
		At Earned Margin 15,16/			At Proposed Margin 15/		
		Percent Distribution	Pro forma Billing Determinants (Bills, kWh, kW)	Rate	"Margin" or Base Revenues	Proposed Rate	Proposed "Margin" or Base Revenues
(A)		(B)	(C)	(D)	(E)	(F)	(G)
1	Customer Charge		60	\$ 500.00	\$ 30,000	\$ 2,200.00	\$ 132,000
2							
3	Energy Charge						
4	kWh		2,084,025,091	\$ 0.001239	\$ 2,581,269	\$ 0.003950	\$ 8,231,899
5							
6	Total Energy		2,084,025,091		\$ 2,581,269		\$ 8,231,899
7							
8	Demand Charge (sum of applicable voltage levels)						
9	Transmission		2,998,800	\$ 8.79	26,359,452	\$ 8.72	\$ 26,149,536
10							
11	Total Demand		2,998,800		\$ 26,359,452		\$ 26,149,536
12							
13	Total Calculated Margin				\$ 28,970,721		\$ 34,513,435
14							
15	Adjustment Factor				0.994889		0.994889
16							
17	Total Adjusted Margin				\$ 28,822,651		\$ 34,337,036
18	Target Margin				\$ 28,822,651		\$ 34,332,072
19	Over / <Under>						\$ 4,964
20	Percent Incr./<Decr.> vs. Existing						19.11%
21							
22							
23	15/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.						
24	16/ Existing margin for Customers on rate 836						

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
STEP ONE REVENUE PROOF - PROPOSED RATES

		Proposed Rate 541 - Water Pumping Service					
		At Earned Margin 17,18/			At Proposed Margin 17/		
		Percent Distribution	Pro forma Billing Determinants (Bills, kWh, kW)	Rate	"Margin" or Base Revenues	Proposed Rate	Proposed "Margin" or Base Revenues
(A)		(B)	(C)	(D)	(E)	(F)	(G)
1	Customer Charge		7,680	\$ 15.00	\$ 115,200	\$ 35.00	\$ 268,800
2	Customer Charge (non metered)		60	\$ 50.00	\$ 3,000	\$ 45.00	\$ 2,700
3							
4	Energy Charge						
5	Residential Pumps (Unmetered Service)		953	\$ 2.75	\$ 2,621	\$ 3.91	\$ 3,723
6	Commercial Pumps (Unmetered Service)		38	3.20	122	4.55	173
7							
8	kWh		25,736,597	0.065103	1,675,532	0.088460	2,276,659
9							
10	Total Energy		25,736,597		\$ 1,678,274		\$ 2,280,555
11							
12	Total Calculated Margin				\$ 1,796,474		\$ 2,552,055
13							
14	Adjustment Factor				0.994889		0.994889
15							
16	Total Adjusted Margin				\$ 1,787,292		\$ 2,539,011
17	Target Margin				\$ 1,787,292		\$ 2,538,813
18	Over / <Under>						\$ 198
19	Percent Incr./<Decr.> vs. Existing						42.05%
20							
21							
22	17/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.						
23	18/ Existing margin for Customers on rates 841 & 842						

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY
PRO FORMA TEST YEAR ENDED DECEMBER 31, 200
STEP ONE REVENUE PROOF - PROPOSED RATES

Proposed Rate 544 - Railroad Power Service						
(A)	At Earned Margin 19,20/				At Proposed Margin 19/	
	Percent Distribution	Pro forma Billing Determinants (Bills, kWh, kW)	Rate	"Margin" or Base Revenues	Proposed Rate	Proposed "Margin" or Base Revenues
(B)	(C)	(D)	(E)	(F)	(G)	
1 Customer Charge		12 \$	200.00 \$	2,400	\$ 335.00	\$ 4,020
2						
3 Energy Charge						
4 kWh		18,905,250 \$	0.019467 \$	368,024	\$ 0.007240	\$ 136,874
5						
6 Total Energy		18,905,250		368,024		136,874
7						
8 Demand Charge (sum of applicable voltage levels)						
9 Transmission		79,171 \$	9.55 \$	756,083	\$ 5.13	\$ 406,147
10 Primary		79,171	2.75	217,720	10.46	828,129
11 Secondary			2.22		3.20	
12						
13 Total Demand		79,171		973,803		1,234,276
14						
15 Total Calculated Margin				1,344,228		1,375,170
16						
17 Adjustment Factor				0.994889		0.994889
18						
19 Total Adjusted Margin				1,337,357		1,368,141
20 Target Margin				1,337,357		1,372,185
21 Over / <Under>						(4,044)
22 Percent Incr./<Decr.> vs. Existing						2.60%
23						
24						
25 19/ Margin and Base Revenues (revenues excluding all fuel collection) have the same meaning in this analysis.						
26 20/ Existing margin for Customers on rate 844						

REVENUE PROOF - REVISED REVENUE REQUIREMENT - PROPOSED SERVICE CLASSIFICATIONS

NORTHERN INDIANA PUBLIC SERVICE COMPANY PRO FORMA TEST YEAR ENDED DECEMBER 31, 2007 STEP ONE REVENUE PROOF - PROPOSED RATES

Summary		<u>Total</u>
Proposed Rate 511 - Residential Service	\$	327,294,084
Proposed Rate 521 - General Service Small		43,303,292
Proposed Rate 523 - General Service Medium		152,482,543
Proposed Rate 526 - Off-Peak Service		8,509,885
Proposed Rate 527 - Limited Production Large		10,851,300
Proposed Rate 533 - General Service Large		193,647,779
Proposed Rate 534 - Industrial Large Service		166,297,004
Proposed Rate 536 - Interruptible Industrial Service		34,337,036
Proposed Rate 541 - Water Pumping Service		2,539,011
Proposed Rate 544 - Railroad Power Service		1,368,141
Proposed Rate 550 - Street Lighting		6,617,235
Proposed Rate 555 - Traffic Lighting		673,853
Proposed Rate 560 - Dusk to Dawn Lighting		3,170,179
Interdepartmental		2,085,262
Total Calculated Revenue	\$	953,156,606
Target Revenue	\$	953,172,532
Over/(Under)	\$	(15,925)

RATE 511
RATE FOR ELECTRIC SERVICE
RESIDENTIAL

TO WHOM AVAILABLE

Available for service to Residential and farm Customers located on the Company's Distribution Lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this Rate Schedule and the Company Rules.

CHARACTER OF SERVICE

Alternating current, 60 hertz, single phase, at a voltage of 120/240 volts three-wire, or 120/208 volts three-wire, as designated by the Company.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this Rate shall be measured as to Energy consumption by a Watt-Hour meter to be installed by the Company.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, an Energy Charge and applicable Riders. The Customer Charge and Energy Charge are as follows:

Customer Charge

\$10.40 per month

Energy Charge

\$0.07958 per kilowatt hour for all kilowatt hours used per month

Deleted: 8134

MINIMUM CHARGE

The Customer's Minimum Charge under this Rate shall be the Customer Charge.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
Date

Effective Date
Date



A JMSource Company

**RATE 521
RATE FOR ELECTRIC SERVICE
GENERAL SERVICE SMALL**

TO WHOM AVAILABLE

Available to non-residential General Service Customers for electric service who are located on the Company's Distribution Lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this Rate Schedule and the Company Rules. Customers served by Transmission Lines shall not take service under this Rate Schedule.

Customers electing this Rate Schedule shall have a rolling twelve month average Energy consumption less than 5,000 kWh per month. If no historical information is available, the usage shall be estimated by the Company.

If the Company determines that the Customer is no longer eligible for the rate the Company will notify the Customer before moving them to a different Rate Schedule.

CHARACTER OF SERVICE

The Company will supply service from its electric supply lines at only such frequency, phase, regulation, and one standard secondary voltage or the available primary voltage as it has in the location where service is required. (See Company Rule 3 for the Company's standard voltages.)

If the Customer has 60 hertz electric generating equipment, other than minor standby equipment for emergency use, the Customer may parallel its 60 hertz system with the Company's 60 hertz supply. The Customer shall so regulate its use of electric Energy as not to cause excessive pulsations or fluctuations in the current or voltage in the Company's system or be subject to termination of service.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this Rate shall be measured as to an Energy consumption by a Watt-Hour meter to be installed by the Company.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, an Energy Charge and applicable Riders. The Customer Charge, and Energy Charge are as follows:

Customer Charge

\$12.40 per month

Energy Charge

\$0.09080 per kilowatt hour for all kilowatt hours used per month

Deleted: 284

Issued Date
Date

Effective Date
Date



A NiSource Company

Customer Charge

\$32.55 per month

Demand Charge

\$19.93 per kilowatt of Billing Demand per month

Deleted: 20.00

Customers that have recently migrated to Rate 523 and do not yet have a meter capable of measuring Demand shall not pay a Demand Charge.

Energy Charge

\$0.00490 per kilowatt hour for all kilowatt hours used per month

Deleted: 6

Customers that have recently migrated to Rate 523 and do not yet have a meter capable of measuring Demand shall pay the following Energy Charge:

\$0.08962 per kilowatt hour for all kilowatt hours used per month

Deleted: 85

DETERMINATION OF BILLING DEMAND

The Billing Demand for the month shall be the Maximum Demand for the month.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

Issued Date
Date

Effective Date
Date



A MSource Company

Demand Charge

\$24.47 per kilowatt per month

Deleted: 32

Energy Charge

\$000415 per kilowatt hour for all kilowatt hours used per month

Deleted: 9

DETERMINATION OF BILLING DEMAND

The Billing Demand for the current Month shall be the greatest of the following Demands:

1. Maximum Demand in On-Peak Hours for the past twelve (12) months up to and including the current Month.
2. 50% of the Maximum Demand in Off-Peak Hours for the past twenty four (24) months up to and including the current month.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. **Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:**

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

2. **Deduction for Primary Service:**

If service is taken by the Customer at a primary voltage (as defined in Company Rule 3) and if the Customer supplies and maintains all transformation equipment (primary voltage to utilization voltage), the monthly Demand Charge will be reduced by \$3.03 per kilowatt of the monthly Billing Demand.

Deleted: 1

Issued Date
Date

Effective Date
Date



A NISource Company

3. Deduction for Transmission Service:

If service is taken by the Customer at a transmission voltage as defined in Company Rule 3, and if the Customer supplies and maintains all transformation equipment (transmission voltage to utilization voltage), the monthly Demand Charge will be reduced by \$9.04 per kilowatt of monthly Billing Demand.

Deleted: 8.98

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and the Demand Charge.

GENERAL TERMS AND CONDITIONS OF SERVICE - CONTRACT

Any Customer requesting service under this rate shall enter into a written contract for an initial period of not less than three years.

In such contract it shall be proper to include such provisions, if any, as may be agreed upon between the Company and the Customer with respect to special terms and conditions under which service is to be furnished hereunder, including but not limited to, amount of Contract Demand, voltage to be supplied, and facilities to be provided by each party in accordance with the Company Rules.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
Date

Effective Date
Date



A NISource Company

by the Company excluding Holidays. All other hours are the Production Hours.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this rate shall be measured as to Maximum Demand, Energy consumption and Reactive Kilovolt-Amperes by an IDR Meter to be installed by the Company.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, an Energy Charge, a Demand Charge and applicable Riders. The Customer Charge, Energy Charge, and Demand Charge are as follows:

Customer Charge

\$3,450.00 per month

Demand Charge

\$17.80 per kilowatt

Deleted: 63

Energy Charge

\$0.00456 per kilowatt hour for all kilowatt hours used per month

Deleted: 89

DETERMINATION OF BILLING DEMAND

The Billing Demand for the current Month shall be the greatest of the following Demands:

1. Maximum Demand in Non-Production Hours for the current Month if a Non-Production Hour Infraction has occurred in the Month.
2. 50% of the Maximum Demand in Production Hours for the past twenty four (24) months up to and including the current Month.
3. The highest Billing Demand in the past twenty four (24) months up to and including the current month.

Deleted: Non-

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:

Issued Date
Date

Effective Date
Date



A NISource Company

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

2. Deduction for Transmission Service:

If service is taken by the Customer at a transmission voltage as defined in as defined in Company Rule 3, and if the Customer supplies and maintains all transformation equipment (transmission voltage to utilization voltage), the monthly Demand Charge will be reduced by \$8.35 per kilowatt of monthly Billing Demand.

Deleted: 28

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and the Demand Charge.

CUSTOMER LOAD INFORMATION

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of August each year a statement of its estimates of the Customer's future load on the Company by months for a subsequent Period of thirty (30) months.

The Customer shall make a reasonable effort to provide the Company in writing with a reasonably accurate hourly load forecast on a daily basis.

The Customer shall include with each such annual statement, and more often if changes occur, the plans of the Customer to increase or decrease its electrical generating or conversion equipment, or any major change by the Customer which will affect the Customer's load or load factor on the Company. The Customer shall also advise the Company when it plans to order such equipment, the estimated date construction shall begin, and the estimated date the equipment will be in service.

The Customer shall advise the Company in writing of any change in the operation of its generating and conversion equipment which will affect the Customer's load on the Company as such changes occur.

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

Failure to comply with requested information on an ongoing basis may result in Customer being moved to another Rate Schedule.

Issued Date
Date

Effective Date
Date



A NSource Company

Customer Charge

\$560.00 per month

Demand Charge

\$21.39 per kilowatt of Billing Demand per month

Deleted: 44

Energy Charge

\$0.00457 per kilowatt hour for all kilowatt hours used per month

Deleted: 60

DETERMINATION OF BILLING DEMAND

For Customers with IDR Meters, the Billing Demand for the month shall be the greatest of the following Demands:

1. 90% of the Maximum Summer Peak Hour Demand for the past twenty-four (24) months up to and including the current month.
2. 80% of the Maximum Non-Summer Peak Hour Demand for the past twenty-four (24) months up to and including the current month.

For Customers with DI Meters, the Billing Demand for the month shall be the 85% of the Maximum Demand for the current month until such time as the Company installs an IDR meter.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule I.

ADJUSTMENTS

1. Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

Issued Date
Date

Effective Date
Date



A NiSource Company

2. **Deduction for Primary Service:**

If service is taken by the Customer at a primary voltage (as defined in as defined in Company Rule 3) and if the Customer supplies and maintains all transformation equipment (primary voltage to utilization voltage), the monthly Demand Charge will be reduced by \$2.03 per kilowatt of the monthly Billing Demand.

Deleted: 4

3. **Deduction for Transmission Service:**

If service is taken by the Customer at a transmission voltage as defined in as defined in Company Rule 3, and if the Customer supplies and maintains all transformation equipment (transmission voltage to utilization voltage), the monthly Demand Charge will be reduced by \$6.04 per kilowatt of monthly Billing Demand.

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and the Demand Charge.

CUSTOMER LOAD INFORMATION

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of August each year a statement of its estimates of the Customer's future load on the Company by months for a subsequent period of thirty (30) months.

The Customer shall include with each such annual statement, and more often if changes occur, the plans of the Customer to increase or decrease its electrical generating or conversion equipment, or any major change by the Customer which will affect the Customer's load or load factor on the Company. The Customer shall also advise the Company when it plans to order such equipment, the estimated date construction shall begin, and the estimated date the equipment will be in service.

The Customer shall advise the Company in writing, of any change in the operation of its generating and conversion equipment which will affect the Customer's load on the Company as such changes occur.

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

Failure to comply with requested information on an ongoing basis may result in Customer being moved to another Rate Schedule.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
Date

Effective Date
Date



A NiSource Company

Customer Charge

\$10,000.00 per month

Demand Charge

\$17.39 per kilowatt per month

Deleted: 46

Energy Charge

\$0.00442 per kilowatt hour for all kilowatt hours used per month

Deleted: 25

DETERMINATION OF BILLING DEMAND

The Billing Demand for the month shall be the greatest of the following Demands:

1. 90% of the Maximum Summer Peak Hour Demand for the past twenty-four (24) months up to and including the current month.
2. 80% of the Maximum Non Summer Peak Hour Demand for the past twenty-four (24) months up to and including the current month.
3. 80% of the Contract Demand.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

Issued Date
Date

Effective Date
Date



A TMSOURCE Company

2. Deduction for Transmission Service:

If service is taken by the Customer at a transmission voltage as defined in Company Rule 3, and if the Customer supplies and maintains all transformation equipment (transmission voltage to utilization voltage), the monthly Demand Charge will be reduced by \$3.81 per kilowatt of monthly Billing Demand.

Deleted: 79

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and the Demand Charge.

CUSTOMER LOAD INFORMATION

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of August each year a statement of its estimates of the Customer's future load on the Company by months for a subsequent Period of thirty (30) months.

The Customer shall make a reasonable effort to provide the Company in writing with a reasonably accurate hourly load forecast on a daily basis.

The Customer shall include with each such annual statement, and more often if changes occur, the plans of the Customer to increase or decrease its electrical generating or conversion equipment, or any major change by the Customer which will affect the Customer's load or load factor on the Company. The Customer shall also advise the Company when it plans to order such equipment, the estimated date construction shall begin, and the estimated date the equipment will be in service.

The Customer shall advise the Company in writing of any change in the operation of its generating and conversion equipment which will affect the Customer's load on the Company as such changes occur.

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

Failure to comply with requested information on an ongoing basis may result in Customer being moved to another Rate Schedule.

GENERAL TERMS AND CONDITIONS OF SERVICE - CONTRACT

Any Customer requesting service under this rate shall enter into a written contract for an initial period of not less than three years.

Issued Date
Date

Effective Date
Date



A NISource Company

CURTAILMENTS OR INTERRUPTIONS

Curtailments and Interruptions shall be limited to the following:

1. No more than one (1) per day;
2. No more than sixteen (16) hours per day;
3. No more than three (3) consecutive days;
4. No more than three (3) days in any rolling seven day week; and
5. No more than 400 hours per rolling 365 days.

Whenever a Curtailment or Interruption is requested, it shall be requested ratably among Customers taking service under this rate according to each Customer's Interruptible Contract Demand divided by total Interruptible Contract Demand in aggregate on this rate.

The Company shall provide ten (10) minutes of advance notice before Curtailing or Interrupting service.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this rate shall be measured as to Maximum Demand, Energy consumption and Reactive Kilovolt-Amperes by an IDR Meter to be installed by the Company

RATE

Rates charged for service rendered under this Rate Schedule are based upon the measurement of electric Energy at the voltage supplied to the Customer.

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, a Demand Charge, an Energy Charge and applicable Riders. The Customer Charge, Demand Charge and Energy Charge are as follows:

Customer Charge

\$2,200.00 per month

Demand Charge

\$8.72 per kilowatt per month.

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Energy Charge

\$0.00395 per kilowatt hour for all kilowatt hours used per month

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Issued Date
Date

Effective Date
Date



A NISource Company

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The metered electric service to be supplied under this rate shall be measured with an Energy consumption by a Watt-Hour meter to be installed by the Company.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, an Energy Charge, a Demand Charge and applicable Riders. The Customer Charge and Energy Charge are as follows:

1. Metered Service

Customer Charge

\$35.00 per month

Energy Charge

\$0.08846 per kilowatt hour for all metered electric Energy used per month.

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2. Un-metered Service

Customer Charge

There shall be a single Customer Charge of \$45.00 per monthly bill, regardless of the total number of pumps in the Customer's system. The Customer may elect to have the Company aggregate all the pump locations in one integrated system for billing purposes, and the monthly Customer Charge of \$45.00 will be applied once to that bill.

Pump Charge

Residential un-metered service under this Rate Schedule shall be \$3.91 per month per point of connection with the residential facilities of the Company. If more than one pump is installed at any one point of connection, the rate for that connection shall be \$3.91 per month for each pump installed at that location. This rate is not available for installations of more than four pumps at any one point of connection.

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Commercial un-metered service under this Rate Schedule shall be \$4.55 per month per point of connection with the commercial facilities of the Company. If more than one pump is installed at any one point of connection, the rate for that connection shall be \$4.55 per month for each pump installed at that location. This rate is not available for installations of more than four pumps at any one point of connection.

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Issued Date
Date

Effective Date
Date



A Resource Company

Demand Charge

\$15.59 per kilowatt of Maximum Demand per month

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Energy Charge

\$0.00724 per kilowatt hour for all kilowatt hours used per month

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MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and Demand Charge.

DETERMINATION OF DEMAND

The Customer's Demand of electric Energy supplied shall be determined for each one-hour interval of the month. The phrase "one-hour interval" shall mean sixty (60) minute period beginning or ending on a numbered clock hour as indicated by the clock controlling the metering equipment.

DETERMINATION OF BILLING DEMAND

The Billing Demand for the month shall be the greatest of the following Demands:

1. The maximum one-hour Demand registered for the month.
2. Eighty percent (80%) of the highest Billing Demand established in the immediately preceding twenty three (23) months, adjusted, if the Company's obligation to serve is increased or decreased. Each time the Company's obligation to serve is increased or decreased, the highest Billing Demand established in the immediately preceding twenty three (23) months shall be adjusted by a ratio of the Company's current obligation to serve and the Company's obligation to serve in the month of the highest Billing Demand before multiplying by eighty percent (80%).

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
Date

Effective Date
Date



A MSource Company

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Lamp Charge, an Energy Charge, and applicable Riders. The Lamp Charge and Energy Charge are as follows:

Lamp Charge - Per lamp per month:

Lamp Type	Company Owned	Customer Owned- Company Maintained
175 Watt Mercury Vapor*	\$8.00 per month	n/a
250 Watt Mercury Vapor*	n/a	\$3.20 per month
400 Watt Mercury Vapor*	\$10.65 per month	n/a
100 Watt High Pressure Sodium	\$8.15 per month	\$2.75 per month
150 Watt High Pressure Sodium	\$8.55 per month	n/a
250 Watt High Pressure Sodium	\$8.85 per month	\$2.85 per month
400 Watt High Pressure Sodium	\$9.15 per month	\$2.90 per month

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*Available to existing Customers only

For Customer-Owned – Customer Maintained Lamps, the Lamp Charge shall be \$1.20 per lamp per month.

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Company-Owned Equipment

Company owned monthly lamp charges apply to lights installed with a standard setup. For Customers that desire additional equipment beyond a standard setup, a non-refundable contribution will be required to be unconditionally made to the Company prior to installation equal to the difference between the installed cost and a standard set-up. A standard set up includes an appropriate sized wood pole and related equipment for the lamp type selected by the Customer.

Energy Charge

\$0.03489 per kilowatt hour for all kilowatt hours used per month

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The following tables will be utilized to calculate the monthly Energy Charge, along with the applicable Riders. These tables represent the lamp burning hours, in kWh.

Issued Date
Date

Effective Date
Date



A NiSource Company

RATE 555
RATE FOR ELECTRIC SERVICE
TRAFFIC AND DIRECTIVE LIGHTING

TO WHOM AVAILABLE

Available to any Customer for electric Energy for non-metered traffic directive lights located on the Company's electric supply lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this Rate Schedule and the Company Rules.

CHARACTER OF SERVICE

Alternating current, 60 hertz, single phase, at a voltage of approximately 115 volts two-wire, or 115-230 volts three-wire.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Service Drop Charge, an Energy Charge and applicable Riders. The Service Drop Charge and Energy Charge are as follows:

Service Drop Charge

\$16.80 per month

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Energy Charge

\$0.04575 per kilowatt hour for all kilowatt hours used per month.

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The average kilowatts burning shall be determined from the indications of a suitable Demand measuring instrument and shall be taken as the average load in watts during a 15 consecutive minute interval of time. Such determination shall be taken during a period of normal operation. The measured Demand will be converted to a monthly usage in kilowatt hours based on the number of hours in the month.

MINIMUM CHARGE

The Customer's Minimum Charge per service drop under this rate shall be the Service Drop Charge, an Energy Charge and applicable Riders.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
Date

Effective Date
Date



A NISource Company.

Lamp and Equipment Charges - Per unit of equipment per month:

Lamp Type	Company Owned
175 Watt Mercury Vapor*	\$12.65 per month
400 Watt Mercury Vapor*	\$17.15 per month
100 Watt High Pressure Sodium Dusk to Dawn Fixture	\$12.80 per month
250 Watt High Pressure Sodium Dusk to Dawn Fixture	\$13.85 per month
400 Watt High Pressure Sodium Dusk to Dawn Fixture	\$14.10 per month
150 Watt High Pressure Sodium Floodlight	\$14.05 per month
250 Watt High Pressure Sodium Floodlight	\$14.50 per month
400 Watt High Pressure Sodium Floodlight	\$14.75 per month
30 ft wood pole and span of secondary	\$3.80 per month
35 ft wood pole and span of secondary	\$4.90 per month
40 ft wood pole and span of secondary	\$6.25 per month
Guy and anchor set	\$2.10 per month
Extra span of secondary	\$2.10 per month

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*Available to existing Customers only

Energy Charge -

\$0.03482 per kilowatt hour for all kilowatt hours used per month for each lamp.

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The following table will be utilized to calculate the monthly Energy usage per lamp, along with the applicable Riders.

Issued Date
Date

Effective Date
Date



A MSource Company

RIDER 575
ELECTRIC SPACEHEATING RIDER TO RESIDENTIAL SERVICE

TO WHOM AVAILABLE

This Residential electric spaceheating rider is available for Residential Customers located on the Company's Distribution Lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this Rate Schedule and the accompanying Company Rules.

This rider is only available to existing electric spaceheating Customers as of [Date of Order] classified as Residential Customers with permanently installed electric spaceheating equipment or a permanently installed Company accepted heat pump which operates as the primary heating /cooling device for the residence.

CHARACTER OF SERVICE

Alternating current, 60 hertz, single phase, at a voltage of 120/240 volts three-wire, or 120/208 volts three-wire, as designated by the Company.

RATE

The electric service and Energy supplied hereunder shall be billed along with the Customer Charge and Energy Charge on Rate Schedule 511. All applicable Riders and terms under Rate 511 shall be applicable under this rider.

During any Month more than half of which is within any calendar month from October to April, inclusive, the Energy rate will be modified as follows:

\$0.05702 per kWh for all use in excess of 700 kWh per month

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Issued Date
Date

Effective Date
Date



A NiSource Company

APPENDIX C
RELIABILITY ADJUSTMENT FACTOR

The Reliability Adjustment Factor in Rates 511, 521, 523, 526, 527, 533, 534, 536, 541, 544, 550, 555 and 560 shall be computed in accordance with Rider 571 and in accordance with the Order of the IURC approved [Date] in Cause No. 43526, as follows:

Deleted: on the basis of a charge to reflect the rate base treatment of Qualified Pollution Control Property,

Effective for bills rendered beginning with Date billing, the Reliability Adjustment Factor shall be:

Deleted: set forth in

RATE SCHEDULES

Rate	Charge
Rate 511 A charge of \$	per kwh used per month
Rate 521 A charge of \$	per kwh used per month
Rate 523 A charge of \$	per kwh used per month
Rate 526 A charge of \$	per kwh used per month
Rate 527 A charge of \$	per kwh used per month
Rate 533 A charge of \$	per kwh used per month
Rate 534 A charge of \$	per kwh used per month
Rate 536 A charge of \$	per kwh used per month
Rate 541 A charge of \$	per kwh used per month
Rate 544 A charge of \$	per kwh used per month
Rate 550 A charge of \$	per kwh used per month
Rate 555 A charge of \$	per kwh used per month
Rate 560 A charge of \$	per kwh used per month

Issued Date
Date

Effective Date
Date



A NISource Company

**RATE 511
RATE FOR ELECTRIC SERVICE
RESIDENTIAL**

TO WHOM AVAILABLE

Available for service to Residential and farm Customers located on the Company's Distribution Lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this Rate Schedule and the Company Rules.

CHARACTER OF SERVICE

Alternating current, 60 hertz, single phase, at a voltage of 120/240 volts three-wire, or 120/208 volts three-wire, as designated by the Company.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this Rate shall be measured as to Energy consumption by a Watt-Hour meter to be installed by the Company.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, an Energy Charge and applicable Riders. The Customer Charge and Energy Charge are as follows:

Customer Charge

\$10.40 per month

Energy Charge

\$0.07958 per kilowatt hour for all kilowatt hours used per month

MINIMUM CHARGE

The Customer's Minimum Charge under this Rate shall be the Customer Charge.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
Date

Effective Date
Date



A NISource Company

**RATE 521
RATE FOR ELECTRIC SERVICE
GENERAL SERVICE SMALL**

TO WHOM AVAILABLE

Available to non-residential General Service Customers for electric service who are located on the Company's Distribution Lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this Rate Schedule and the Company Rules. Customers served by Transmission Lines shall not take service under this Rate Schedule.

Customers electing this Rate Schedule shall have a rolling twelve month average Energy consumption less than 5,000 kWh per month. If no historical information is available, the usage shall be estimated by the Company.

If the Company determines that the Customer is no longer eligible for the rate the Company will notify the Customer before moving them to a different Rate Schedule.

CHARACTER OF SERVICE

The Company will supply service from its electric supply lines at only such frequency, phase, regulation, and one standard secondary voltage or the available primary voltage as it has in the location where service is required. (See Company Rule 3 for the Company's standard voltages.)

If the Customer has 60 hertz electric generating equipment, other than minor standby equipment for emergency use, the Customer may parallel its 60 hertz system with the Company's 60 hertz supply. The Customer shall so regulate its use of electric Energy as not to cause excessive pulsations or fluctuations in the current or voltage in the Company's system or be subject to termination of service.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this Rate shall be measured as to an Energy consumption by a Watt-Hour meter to be installed by the Company.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, an Energy Charge and applicable Riders. The Customer Charge, and Energy Charge are as follows:

Customer Charge

\$12.40 per month

Energy Charge

\$0.09080 per kilowatt hour for all kilowatt hours used per month

Issued Date
Date

Effective Date
Date



A NISource Company

Customer Charge

\$32.55 per month

Demand Charge

\$19.93 per kilowatt of Billing Demand per month

Customers that have recently migrated to Rate 523 and do not yet have a meter capable of measuring Demand shall not pay a Demand Charge.

Energy Charge

\$0.00490 per kilowatt hour for all kilowatt hours used per month

Customers that have recently migrated to Rate 523 and do not yet have a meter capable of measuring Demand shall pay the following Energy Charge:

\$0.08962 per kilowatt hour for all kilowatt hours used per month

DETERMINATION OF BILLING DEMAND

The Billing Demand for the month shall be the Maximum Demand for the month.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. **Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:**

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

Issued Date
Date

Effective Date
Date



A NISource Company

Demand Charge

\$24.47 per kilowatt per month

Energy Charge

\$000415 per kilowatt hour for all kilowatt hours used per month

DETERMINATION OF BILLING DEMAND

The Billing Demand for the current Month shall be the greatest of the following Demands:

1. Maximum Demand in On-Peak Hours for the past twelve (12) months up to and including the current Month.
2. 50% of the Maximum Demand in Off-Peak Hours for the past twenty four (24) months up to and including the current month.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. **Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:**

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

2. **Deduction for Primary Service:**

If service is taken by the Customer at a primary voltage (as defined in Company Rule 3) and if the Customer supplies and maintains all transformation equipment (primary voltage to utilization voltage), the monthly Demand Charge will be reduced by \$3.03 per kilowatt of the monthly Billing Demand.

Issued Date
Date

Effective Date
Date



A NSource Company

3. Deduction for Transmission Service:

If service is taken by the Customer at a transmission voltage as defined in Company Rule 3, and if the Customer supplies and maintains all transformation equipment (transmission voltage to utilization voltage), the monthly Demand Charge will be reduced by \$9.04 per kilowatt of monthly Billing Demand.

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and the Demand Charge.

GENERAL TERMS AND CONDITIONS OF SERVICE - CONTRACT

Any Customer requesting service under this rate shall enter into a written contract for an initial period of not less than three years.

In such contract it shall be proper to include such provisions, if any, as may be agreed upon between the Company and the Customer with respect to special terms and conditions under which service is to be furnished hereunder, including but not limited to, amount of Contract Demand, voltage to be supplied, and facilities to be provided by each party in accordance with the Company Rules.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
Date

Effective Date
Date



A NSource Company

by the Company excluding Holidays. All other hours are the Production Hours.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this rate shall be measured as to Maximum Demand, Energy consumption and Reactive Kilovolt-Amperes by an IDR Meter to be installed by the Company.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, an Energy Charge, a Demand Charge and applicable Riders. The Customer Charge, Energy Charge, and Demand Charge are as follows:

Customer Charge

\$3,450.00 per month

Demand Charge

\$17.80 per kilowatt

Energy Charge

\$0.00456 per kilowatt hour for all kilowatt hours used per month

DETERMINATION OF BILLING DEMAND

The Billing Demand for the current Month shall be the greatest of the following Demands:

1. Maximum Demand in Non-Production Hours for the current Month if a Non-Production Hour Infraction has occurred in the Month.
2. 50% of the Maximum Demand in Production Hours for the past twenty four (24) months up to and including the current Month.
3. The highest Billing Demand in the past twenty four (24) months up to and including the current month.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:

Issued Date
Date

Effective Date
Date



A NISource Company

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

2. **Deduction for Transmission Service:**

If service is taken by the Customer at a transmission voltage as defined in as defined in Company Rule 3, and if the Customer supplies and maintains all transformation equipment (transmission voltage to utilization voltage), the monthly Demand Charge will be reduced by \$8.35 per kilowatt of monthly Billing Demand.

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and the Demand Charge.

CUSTOMER LOAD INFORMATION

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of August each year a statement of its estimates of the Customer's future load on the Company by months for a subsequent Period of thirty (30) months.

The Customer shall make a reasonable effort to provide the Company in writing with a reasonably accurate hourly load forecast on a daily basis.

The Customer shall include with each such annual statement, and more often if changes occur, the plans of the Customer to increase or decrease its electrical generating or conversion equipment, or any major change by the Customer which will affect the Customer's load or load factor on the Company. The Customer shall also advise the Company when it plans to order such equipment, the estimated date construction shall begin, and the estimated date the equipment will be in service.

The Customer shall advise the Company in writing of any change in the operation of its generating and conversion equipment which will affect the Customer's load on the Company as such changes occur.

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

Failure to comply with requested information on an ongoing basis may result in Customer being moved to another Rate Schedule.

Issued Date
Date

Effective Date
Date



A NSource Company

Customer Charge

\$560.00 per month

Demand Charge

\$21.39 per kilowatt of Billing Demand per month

Energy Charge

\$0.00457 per kilowatt hour for all kilowatt hours used per month

DETERMINATION OF BILLING DEMAND

For Customers with IDR Meters, the Billing Demand for the month shall be the greatest of the following Demands:

1. 90% of the Maximum Summer Peak Hour Demand for the past twenty-four (24) months up to and including the current month.
2. 80% of the Maximum Non-Summer Peak Hour Demand for the past twenty-four (24) months up to and including the current month.

For Customers with DI Meters, the Billing Demand for the month shall be the 85% of the Maximum Demand for the current month until such time as the Company installs an IDR meter.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. **Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:**

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

Issued Date
Date

Effective Date
Date



A NiSource Company

2. Deduction for Primary Service:

If service is taken by the Customer at a primary voltage (as defined in as defined in Company Rule 3) and if the Customer supplies and maintains all transformation equipment (primary voltage to utilization voltage), the monthly Demand Charge will be reduced by \$2.03 per kilowatt of the monthly Billing Demand.

3. Deduction for Transmission Service:

If service is taken by the Customer at a transmission voltage as defined in as defined in Company Rule 3, and if the Customer supplies and maintains all transformation equipment (transmission voltage to utilization voltage), the monthly Demand Charge will be reduced by \$6.04 per kilowatt of monthly Billing Demand.

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and the Demand Charge.

CUSTOMER LOAD INFORMATION

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of August each year a statement of its estimates of the Customer's future load on the Company by months for a subsequent period of thirty (30) months.

The Customer shall include with each such annual statement, and more often if changes occur, the plans of the Customer to increase or decrease its electrical generating or conversion equipment, or any major change by the Customer which will affect the Customer's load or load factor on the Company. The Customer shall also advise the Company when it plans to order such equipment, the estimated date construction shall begin, and the estimated date the equipment will be in service.

The Customer shall advise the Company in writing, of any change in the operation of its generating and conversion equipment which will affect the Customer's load on the Company as such changes occur.

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

Failure to comply with requested information on an ongoing basis may result in Customer being moved to another Rate Schedule.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
Date

Effective Date
Date



A NISource Company

Customer Charge

\$10,000.00 per month

Demand Charge

\$17.39 per kilowatt per month

Energy Charge

\$0.00442 per kilowatt hour for all kilowatt hours used per month

DETERMINATION OF BILLING DEMAND

The Billing Demand for the month shall be the greatest of the following Demands:

1. 90% of the Maximum Summer Peak Hour Demand for the past twenty-four (24) months up to and including the current month.
2. 80% of the Maximum Non Summer Peak Hour Demand for the past twenty-four (24) months up to and including the current month.
3. 80% of the Contract Demand.

DETERMINATION OF MAXIMUM DEMAND

Customer's Maximum Demand in any month shall be determined as defined in Company Rule 1.

ADJUSTMENTS

1. **Adjustment for Metering at Different Voltage Level than the Voltage at Which Service Is Taken:**

If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is greater than the voltage level at which service is taken, the kilowatt hours metered will be reduced by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be reduced by 1.2% before the Billing Demand is determined. If, at the Company's option and in its sole discretion, the metering is installed at a voltage level that is less than the voltage level at which service is taken, the kilowatt hours metered will be increased by 1.2% before computing the Energy Charge, and the Maximum Demand in each period will be increased by 1.2% before the Billing Demand is determined.

Issued Date
Date

Effective Date
Date



A NISource Company

2. Deduction for Transmission Service:

If service is taken by the Customer at a transmission voltage as defined in Company Rule 3, and if the Customer supplies and maintains all transformation equipment (transmission voltage to utilization voltage), the monthly Demand Charge will be reduced by \$3.81 per kilowatt of monthly Billing Demand.

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and the Demand Charge.

CUSTOMER LOAD INFORMATION

If requested by the Company, the Customer shall cooperate with the Company by furnishing the Company in writing on or before the first day of August each year a statement of its estimates of the Customer's future load on the Company by months for a subsequent Period of thirty (30) months.

The Customer shall make a reasonable effort to provide the Company in writing with a reasonably accurate hourly load forecast on a daily basis.

The Customer shall include with each such annual statement, and more often if changes occur, the plans of the Customer to increase or decrease its electrical generating or conversion equipment, or any major change by the Customer which will affect the Customer's load or load factor on the Company. The Customer shall also advise the Company when it plans to order such equipment, the estimated date construction shall begin, and the estimated date the equipment will be in service.

The Customer shall advise the Company in writing of any change in the operation of its generating and conversion equipment which will affect the Customer's load on the Company as such changes occur.

The Customer's dispatcher shall cooperate with the Company's dispatcher by furnishing, from time to time, such load information and operating schedules which will enable the Company to plan its generating operations.

Failure to comply with requested information on an ongoing basis may result in Customer being moved to another Rate Schedule.

GENERAL TERMS AND CONDITIONS OF SERVICE - CONTRACT

Any Customer requesting service under this rate shall enter into a written contract for an initial period of not less than three years.

Issued Date
Date

Effective Date
Date



A NiSource Company

CURTAILMENTS OR INTERRUPTIONS

Curtailments and Interruptions shall be limited to the following:

1. No more than one (1) per day;
2. No more than sixteen (16) hours per day;
3. No more than three (3) consecutive days;
4. No more than three (3) days in any rolling seven day week; and
5. No more than 400 hours per rolling 365 days.

Whenever a Curtailment or Interruption is requested, it shall be requested ratably among Customers taking service under this rate according to each Customer's Interruptible Contract Demand divided by total Interruptible Contract Demand in aggregate on this rate.

The Company shall provide ten (10) minutes of advance notice before Curtailing or Interrupting service.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this rate shall be measured as to Maximum Demand, Energy consumption and Reactive Kilovolt-Amperes by an IDR Meter to be installed by the Company

RATE

Rates charged for service rendered under this Rate Schedule are based upon the measurement of electric Energy at the voltage supplied to the Customer.

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, a Demand Charge, an Energy Charge and applicable Riders. The Customer Charge, Demand Charge and Energy Charge are as follows:

Customer Charge

\$2,200.00 per month

Demand Charge

\$8.72 per kilowatt per month.

Energy Charge

\$0.00395 per kilowatt hour for all kilowatt hours used per month

Issued Date
Date

Effective Date
Date



A NISource Company

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The metered electric service to be supplied under this rate shall be measured with an Energy consumption by a Watt-Hour meter to be installed by the Company.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Customer Charge, an Energy Charge, a Demand Charge and applicable Riders. The Customer Charge and Energy Charge are as follows:

1. **Metered Service**

Customer Charge

\$35.00 per month

Energy Charge

\$0.08846 per kilowatt hour for all metered electric Energy used per month.

2. **Un-metered Service**

Customer Charge

There shall be a single Customer Charge of \$45.00 per monthly bill, regardless of the total number of pumps in the Customer's system. The Customer may elect to have the Company aggregate all the pump locations in one integrated system for billing purposes, and the monthly Customer Charge of \$45.00 will be applied once to that bill.

Pump Charge

Residential un-metered service under this Rate Schedule shall be \$3.91 per month per point of connection with the residential facilities of the Company. If more than one pump is installed at any one point of connection, the rate for that connection shall be \$3.91 per month for each pump installed at that location. This rate is not available for installations of more than four pumps at any one point of connection.

Commercial un-metered service under this Rate Schedule shall be \$4.55 per month per point of connection with the commercial facilities of the Company. If more than one pump is installed at any one point of connection, the rate for that connection shall be \$4.55 per month for each pump installed at that location. This rate is not available for installations of more than four pumps at any one point of connection.

Issued Date
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A NISource Company

Demand Charge

\$15.59 per kilowatt of Maximum Demand per month

Energy Charge

\$0.00724 per kilowatt hour for all kilowatt hours used per month

MONTHLY MINIMUM CHARGE

The Customer's Monthly Minimum Charge under this rate shall be the sum of the Customer Charge and Demand Charge.

DETERMINATION OF DEMAND

The Customer's Demand of electric Energy supplied shall be determined for each one-hour interval of the month. The phrase "one-hour interval" shall mean sixty (60) minute period beginning or ending on a numbered clock hour as indicated by the clock controlling the metering equipment.

DETERMINATION OF BILLING DEMAND

The Billing Demand for the month shall be the greatest of the following Demands:

1. The maximum one-hour Demand registered for the month.
2. Eighty percent (80%) of the highest Billing Demand established in the immediately preceding twenty three (23) months, adjusted, if the Company's obligation to serve is increased or decreased. Each time the Company's obligation to serve is increased or decreased, the highest Billing Demand established in the immediately preceding twenty three (23) months shall be adjusted by a ratio of the Company's current obligation to serve and the Company's obligation to serve in the month of the highest Billing Demand before multiplying by eighty percent (80%).

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

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RATE

The rate for electric service and Energy supplied hereunder shall consist of a Lamp Charge, an Energy Charge, and applicable Riders. The Lamp Charge and Energy Charge are as follows:

Lamp Charge - Per lamp per month:

Lamp Type	Company Owned	Customer Owned- Company Maintained
175 Watt Mercury Vapor*	\$8.00 per month	n/a
250 Watt Mercury Vapor*	n/a	\$3.20 per month
400 Watt Mercury Vapor*	\$10.65 per month	n/a
100 Watt High Pressure Sodium	\$8.15 per month	\$2.75 per month
150 Watt High Pressure Sodium	\$8.55 per month	n/a
250 Watt High Pressure Sodium	\$8.85 per month	\$2.85 per month
400 Watt High Pressure Sodium	\$9.15 per month	\$2.90 per month

*Available to existing Customers only

For Customer-Owned – Customer Maintained Lamps, the Lamp Charge shall be \$1.20 per lamp per month.

Company-Owned Equipment

Company owned monthly lamp charges apply to lights installed with a standard setup. For Customers that desire additional equipment beyond a standard setup, a non-refundable contribution will be required to be unconditionally made to the Company prior to installation equal to the difference between the installed cost and a standard set-up. A standard set up includes an appropriate sized wood pole and related equipment for the lamp type selected by the Customer.

Energy Charge

\$0.03489 per kilowatt hour for all kilowatt hours used per month

The following tables will be utilized to calculate the monthly Energy Charge, along with the applicable Riders. These tables represent the lamp burning hours, in kWh.

Issued Date
Date

Effective Date
Date



A NISource Company

**RATE 555
RATE FOR ELECTRIC SERVICE
TRAFFIC AND DIRECTIVE LIGHTING**

TO WHOM AVAILABLE

Available to any Customer for electric Energy for non-metered traffic directive lights located on the Company's electric supply lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this Rate Schedule and the Company Rules.

CHARACTER OF SERVICE

Alternating current, 60 hertz, single phase, at a voltage of approximately 115 volts two-wire, or 115-230 volts three-wire.

RATE

The rate for electric service and Energy supplied hereunder shall consist of a Service Drop Charge, an Energy Charge and applicable Riders. The Service Drop Charge and Energy Charge are as follows:

Service Drop Charge

\$16.80 per month

Energy Charge

\$0.04575 per kilowatt hour for all kilowatt hours used per month.

The average kilowatts burning shall be determined from the indications of a suitable Demand measuring instrument and shall be taken as the average load in watts during a 15 consecutive minute interval of time. Such determination shall be taken during a period of normal operation. The measured Demand will be converted to a monthly usage in kilowatt hours based on the number of hours in the month.

MINIMUM CHARGE

The Customer's Minimum Charge per service drop under this rate shall be the Service Drop Charge, an Energy Charge and applicable Riders.

RULES AND REGULATIONS

Service hereunder shall be subject to the Company Rules and IURC Rules.

Issued Date
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Effective Date
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A NISource Company

Lamp and Equipment Charges - Per unit of equipment per month:

Lamp Type	Company Owned
175 Watt Mercury Vapor*	\$12.65 per month
400 Watt Mercury Vapor*	\$17.15 per month
100 Watt High Pressure Sodium Dusk to Dawn Fixture	\$12.80 per month
250 Watt High Pressure Sodium Dusk to Dawn Fixture	\$13.85 per month
400 Watt High Pressure Sodium Dusk to Dawn Fixture	\$14.10 per month
150 Watt High Pressure Sodium Floodlight	\$14.05 per month
250 Watt High Pressure Sodium Floodlight	\$14.50 per month
400 Watt High Pressure Sodium Floodlight	\$14.75 per month
30 ft wood pole and span of secondary	\$3.80 per month
35 ft wood pole and span of secondary	\$4.90 per month
40 ft wood pole and span of secondary	\$6.25 per month
Guy and anchor set	\$2.10 per month
Extra span of secondary	\$2.10 per month

*Available to existing Customers only

Energy Charge –

\$0.03489 per kilowatt hour for all kilowatt hours used per month for each lamp.

The following table will be utilized to calculate the monthly Energy usage per lamp, along with the applicable Riders.

Issued Date
Date

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A NISOURCE COMPANY

RIDER 575
ELECTRIC SPACEHEATING RIDER TO RESIDENTIAL SERVICE

TO WHOM AVAILABLE

This Residential electric spaceheating rider is available for Residential Customers located on the Company's Distribution Lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this Rate Schedule and the accompanying Company Rules.

This rider is only available to existing electric spaceheating Customers as of [Date of Order] classified as Residential Customers with permanently installed electric spaceheating equipment or a permanently installed Company accepted heat pump which operates as the primary heating /cooling device for the residence.

CHARACTER OF SERVICE

Alternating current, 60 hertz, single phase, at a voltage of 120/240 volts three-wire, or 120/208 volts three-wire, as designated by the Company.

RATE

The electric service and Energy supplied hereunder shall be billed along with the Customer Charge and Energy Charge on Rate Schedule 511. All applicable Riders and terms under Rate 511 shall be applicable under this rider.

During any Month more than half of which is within any calendar month from October to April, inclusive, the Energy rate will be modified as follows:

\$0.05702 per kWh for all use in excess of 700 kWh per month

Issued Date
Date

Effective Date
Date



A N/Source Company

APPENDIX C
RELIABILITY ADJUSTMENT FACTOR

The Reliability Adjustment Factor in Rates 511, 521, 523, 526, 527, 533, 534, 536, 541, 544, 550, 555 and 560 shall be computed in accordance with Rider 571 and in accordance with the Order of the IURC approved [Date] in Cause No. 43526, as follows:

Effective for bills rendered beginning with Date billing, the Reliability Adjustment Factor shall be:

RATE SCHEDULES

Rate	Charge
Rate 511 A charge of \$	per kwh used per month
Rate 521 A charge of \$	per kwh used per month
Rate 523 A charge of \$	per kwh used per month
Rate 526 A charge of \$	per kwh used per month
Rate 527 A charge of \$	per kwh used per month
Rate 533 A charge of \$	per kwh used per month
Rate 534 A charge of \$	per kwh used per month
Rate 536 A charge of \$	per kwh used per month
Rate 541 A charge of \$	per kwh used per month
Rate 544 A charge of \$	per kwh used per month
Rate 550 A charge of \$	per kwh used per month
Rate 555 A charge of \$	per kwh used per month
Rate 560 A charge of \$	per kwh used per month

Issued Date
Date

Effective Date
Date



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